

2025 ESG Report

INNOLUX



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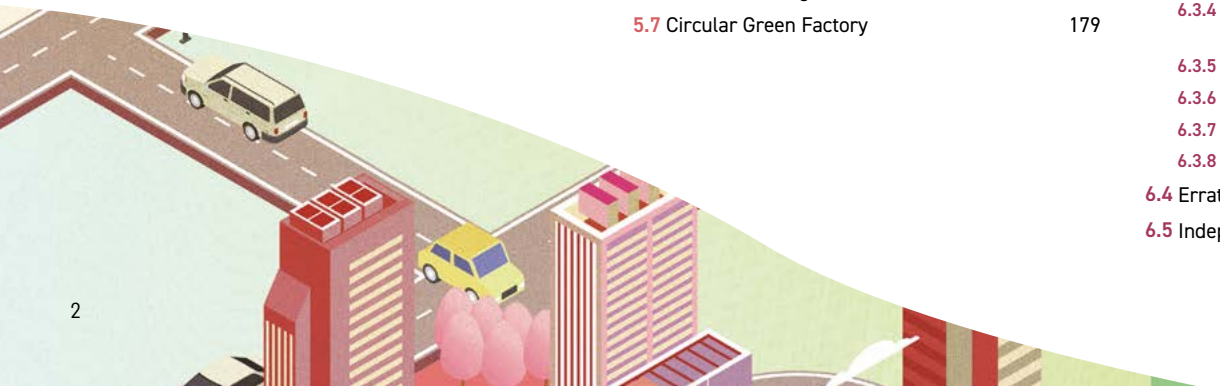
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0.1 / About this Report

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Innolux Corporation ("Innolux" or "the Company") publishes its ESG Report annually to communicate to stakeholders its governance, social, and environmental performance and its management methodology and responses to major related issues. This marks the Company' s 18th ESG Report.

Reporting Scope

This report covers the same reporting period as the Company's financial statements and presents the actions undertaken and performance achieved from January 1 to December 31, 2025. The scope of disclosure primarily focuses on the Company's major operational and manufacturing sites, which account for 71% of the Group's consolidated revenue. In consideration of materiality, the boundary for financial data is aligned with that of Innolux's consolidated financial statements. Environmental and social disclosures mainly cover the following production and manufacturing service entities:

Internal	The operations of Innolux's major production sites, including: • Taiwan sites: Innolux Corporation; Innolux Corporation Tree Valley Branch • Ningbo sites: Ningbo Innolux Optoelectronics Ltd.; Ningbo Innolux Display Ltd. • Foshan sites: Foshan Innolux Optoelectronics Ltd.; Foshan Innolux Logistics Co., Ltd.
External	• Material topics related to key stakeholders, including customers, suppliers, local communities, and others.

Compilation Principles

In order to align with international trends in sustainable management, this report was compiled in compliance with the following reporting standards.

Issuing body	Standard	Version
Global Sustainability Standards Board (GSSB)	Innolux and CarUX both comply with the Global Reporting Initiative (GRI) Standards.	2021
AccountAbility (AA)	AA1000AP AccountAbility Principles: 2018	2018
Sustainability Accounting Standards Board (SASB) SASB Standards	SASB Standards: Hardware Standards for the Technology & Communications Sector	2023-12 version
Taiwan Stock Exchange Corporation	Regulations for the Compilation and Submission of Sustainability Reports by TPEx-Listed Companies	May 2025
Financial Stability Board (FSB)	Task Force on Climate-related Financial Disclosures (TCFD) Framework	June 2017
Global Canopy (a forest protection advocate institution), United Nations Development Programme (UNDP), United Nations Environment Programme Finance Initiative (UNEP FI), and World Wide Fund for Nature (WWF)	Taskforce on Nature-related Financial Disclosures (TNFD) Framework	September 2023
World Economic Forum (WEF)	Stakeholder Capitalism Metrics	2020
The United Nations Global Compact (UNGC)	Ten Principles of the UN Global Compact	July 2000

Report Assurance

All data disclosed in this Report have been collected by the human resources, legal, intellectual property, shareholder services, finance and accounting, facility, environmental and safety, administrative, research and development, automation, procurement, logistics, information technology, quality assurance, sales, and public relations departments, as well as the Innolux Education Foundation. The data is reviewed and approved by the department heads before it is forwarded to the sustainable development department for collation and compilation. The content is reviewed for accuracy and completeness, and a third party then verifies it before the Board of Directors reviews and approves it for publication. For more information about the Independent Verification Statement, please refer to the appendices.

Verification/ Assurance	Verification/Assurance item	Verification/Assurance body	Site location			
			Jhunan	Tainan	Ningbo	Foshan
ESG report	AA1000AS v3 Type 2 High-Level Assurance	SGS Taiwan Ltd.	●	●	●	●
Financial data[1]	Regulations Governing Verification and Attestation of Financial Statements by Certified Public Accountants and the Republic of China	PricewaterhouseCoopers (PwC) Taiwan	●	●	●	●
Information security	Accounting Standards	Bureau Veritas	●	●		
Quality management	ISO 9001:2015 Quality management systems	Bureau Veritas	●	●	●	●
	ISO/IEC 17025:2017 Laboratory management systems	DQS Holding GmbH	●	●	●	●
	IATF 16949:2016 Automotive Quality Management System[2]	Bureau Veritas	●	●	●	
	AS 9100:D Aerospace quality management systems	BellCERT Group Taiwan	●	●		
	QC 080000:2017 Hazardous substance process management systems	SGS Taiwan Ltd.	●	●	●	●
	ANSI ESD S20.20:2021 & IEC 61340-5-1:2016 Electrostatic discharge control management systems	DQS Holding GmbH		●	●	
Occupational safety	ISO 45001:2018 Occupational health and safety management systems	TW (DNV GL Business Assurance Co., Ltd.) ; CN (China Quality Certification Centerr, CQC)	●	●	●	●
Environmental management	ISO 14001:2015 Environmental management systems	TW (DNV GL Business Assurance Co., Ltd.) ; CN (China Quality Certification Center, CQC)	●	●	●	●
	ISO 50001:2018 Energy management systems	TW (British Standards Institution, BSI); CN (CQM)	●	●	●	●
	ISO 14064-1:2018 Greenhouse gas inventory management	DNV GL Business Assurance Co., Ltd.	●	●	●	●

Note1: The financial data disclosed in this report is consistent with that disclosed in Innolux's consolidated financial statements for 2025

Note2: Sites that passed certification: Jhunan (T3); Tainan (FAB B, FAB C, FAB D, and FAB F)

Issue Dates

Innolux publishes Chinese- and English-language sustainability reports every year.
You can download the electronic versions from the Company's website.

- Current edition : Publishing in August 2026
- Previous edition: Published in August 2025
- Next edition: Scheduled for publishing in August 2027

Download the Report Here

Contact Us

If you have any questions about the contents of this report, please contact the ESG Report Editorial Team.

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Sustainability Information Disclosure Platforms

ESG and Sustainability Innolux Corporation Website

Innolux Sustainability DNA Facebook Page

Innolux Sustainability DNA Instagram Profile

Innolux LinkedIn Company Page

Innolux Corp. YouTube channel

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0.2 / A Message from the Chairman

GRI 2-22

To All Stakeholders:

Since 2018, Innolux has advanced its 666 Blueprint, setting out a direction and vision for the Company to leverage stable profitability, transformation, and upgrading of products to ultimately achieve sustainable panel development. In 2025, Innolux continued to generate positive earnings and returns for shareholders. At the same time, our business portfolio has further evolved with the mass production of FOPLP (Fan-Out Panel Level Packaging) and the acquisition of Japan's PIONEER by our subsidiary. These changes have redefined Innolux's strategic value in the global industrial value chain and strengthened confidence in in our development trajectory for 2026. As we continue to optimize our business fundamentals and drive transformation, Innolux remains firmly guided by its vision of sustainable panel development. Building on this commitment, the Company is now entering the second phase of the 666 Blueprint, focusing on deeper implementation and broader expansion of strategic initiatives.

This transformation is grounded in Innolux's deeply rooted sustainability DNA. Through our three core commitments—Go Green, Go Sharing, and Go Responsible—we continue to advance environmental protection, foster a co-prosperity society, and uphold integrity-driven management. These principles are then embedded into corporate governance, operational decision-making, technological innovation, talent development, and value chain collaboration. For Innolux, sustainability is not an agenda separate from business operations; it is the guiding force behind our continued evolution and long-term value creation.

Under Go Green, Innolux is advancing green transformation and low-carbon operations through process optimization, energy efficiency improvements, renewable energy adoption, and resource circularity management. In doing so, we support global climate action and the decarbonization pathway set out in the Paris Agreement. Having received validation from the Science Based Targets initiative (SBTi), we continue to reduce emissions through a science-based and measurable approach. We are also putting circular economy principles into practice through initiatives such as copper electrolyte recycling systems and phosphorus-containing wastewater recovery systems, which improve resource efficiency, reduce environmental impact, and strengthen operational resilience. These ongoing efforts have earned Innolux recognition in domestic and international sustainability assessments, including the CDP and TCSA, reflecting our long-term commitment to environmental governance and low-carbon transformation.

Under Go Sharing, Innolux believes that people are at the heart of sustainable corporate development. We are committed to creating a safe, respectful, diverse, and inclusive workplace where employees and the Company can grow together through talent development, career advancement, employee care, and human rights management. Beyond our own operations, we further invest in local communities and social engagement while working closely with supply chain partners to advance responsible procurement and risk management and build our sustainability capacity. In doing so, we seek to extend Innolux's positive impact across the value chain. Our EcoVadis Silver rating reflects external recognition of our continued efforts in environmental protection, labor and human rights, business ethics, and sustainable procurement.

Under Go Responsible, integrity in business and sound governance remain the foundation of Innolux's steady growth. We continue to enhance the Board's effectiveness, diversity, and transparency while strengthening governance resilience through risk management, internal controls, regulatory compliance, and information disclosure. These efforts enable the Company to respond more effectively to external changes and sustainability challenges. In 2025, Innolux completed its most recent board election, increased the number of independent and female directors, and established the Corporate Governance and Nomination Committee, further strengthening the Board's structure and governance mechanisms. Our continued inclusion in the Dow Jones Sustainability World Index and recognition by TCSA with a Top 100 Sustainable Taiwanese Companies Award reflect external recognition of Innolux's efforts toward corporate governance and sustainability practices.

Looking ahead, guided by our "More than Panel" vision, Innolux will continue to expand the breadth and depth of the Company's technological innovation, business transformation, and sustainable governance. Through a more robust governance framework, an increasingly forward-looking low-carbon strategy, and closer collaboration across the value chain, we will respond to global sustainability trends and create long-term value for our stakeholders.

We sincerely thank our customers, shareholders, employees, supply chain partners, communities, and all stakeholders for their continued trust and support. Sustainability is a long-term journey that calls for sustained commitment and collective action. Innolux will continue to act responsibly, innovate with purpose, and move forward with determination, creating shared value with all of our partners as we advance toward a more resilient, inclusive, and sustainable future.



Jim Hung
Chairman and CEO

0.3 / Company Overview

GRI 2-1、2-28

Founded in 2003, Innolux Corporation is a supplier of TFT-LCD panels that currently owns the most comprehensive production lines for different generations of TFT-LCD panels (3.5G, 4G, 4.5G, 5G, 6G, 7.5G, 8.5G, and 8.6G). We are the world's only one-stop-shop supplier of LCD panels and touch panels in a variety of different sizes. Through the development of core technology talent in our R&D hub in Taiwan and the use of innovative, differentiated technology, we are able to deliver advanced display solutions and a diverse range of applications and products to our clients, cementing our status as the top supplier of comprehensive display solutions. Innolux is headquartered in Taiwan and owns several manufacturing sites in Ningbo, Foshan, and Nanjing; we have also established service offices in Japan, South Korea, Singapore, the Netherlands, Germany, and the United States to cater to our clients' needs.

The year 2023 marks the 20th year of Innolux. We will continue to commit to our core philosophy of "More than Panel" and further our organizational reform through the multi-dimensional expansion strategy of Core Business Development and Cross-Industry Transformation. The reform was initiated with the separation of the organization into two divisions—display and non-display. The display division will continue to focus on Innolux's core business and the vertical integration of cutting-edge technologies; while the non-display division will seek new business opportunities in the medical, automotive, and semiconductor industries, carry out the horizontal integration of hardware, achieve the functional expansion and integration of cross-industry applications, and implement diverse display panel applications based on end-user demand to provide customized service solutions users in different fields.

A pioneer in the global optoelectronics industry chain, Innolux has always stressed the importance of sustainable governance as a business metric and is committed to fulfilling its responsibilities and mission in sustainable operations. In addition to the research and development of cutting-edge technologies and the production of excellent products, we also safeguard our employees' physical and psychological safety and care for their families and financial security to ensure that all employees can benefit from the Company's achievements and can enjoy a warm, caring, healthy, and safe working environment. We are also devoted to accomplishing our goal of "Sustainable Coexistence and Prosperity" and will continue to maximize returns for our clients, shareholders, and other stakeholders.

Milestones

2003
January
Innolux Display Corp. founded

2006
October
Innolux Corporation went public in Taiwan

2008
September
Published first CSR report

November
Innolux Education Foundation established

2010
March
Innolux merged with Chi Mei Optoelectronics and TPO Displays Corp. to form Chimei Innolux Corp.

November
Created a dedicated CSR department

2012
December
Chimei Innolux Corp. was renamed Innolux Corp.

2018
December
Named to the DJSI World Index and the DJSI Emerging Markets Index

2021
September
Nominated for World Economic Forum Global Lighthouse Community

December
Attained a record high annual net profit after tax NT$57.5 billion
Earnings per share of NT$5.53

2023
January
20th Anniversary in Business

May
Set SBTi carbon reduction targets and pledged to help limit temperature rise to well below 2° C

2025
Feburary
CDP A list status for water security Water Security & Climate Change

2026
May
Elected for inclusion in the Dow Jones Best-in-Class World Index for the eighth consecutive year
Validated by the Science Based Targets initiative (SBTi) for near-term emission reduction targets.



Company Profile

SASB TC-HW-000.A

Innolux Corporation

INNOLUX

Date of Establishment
January 2003

Stock symbol
3481

Capital
NT **$ 79.9 billion**

Chairman
Jin-Yang (Jim) Hung

Number of Employees
28,903 employees globally

2025 Revenue
NT **$ 211.7 billion**

Headquarters
No. 160, Kexue Rd., Zhunan Township,
Miaoli County 35053 (Zhunan Science Park)

Main Products
Full range of TFT-LCD panels, TFT-LCD modules, and touch panel modules

Innolux Global Presence

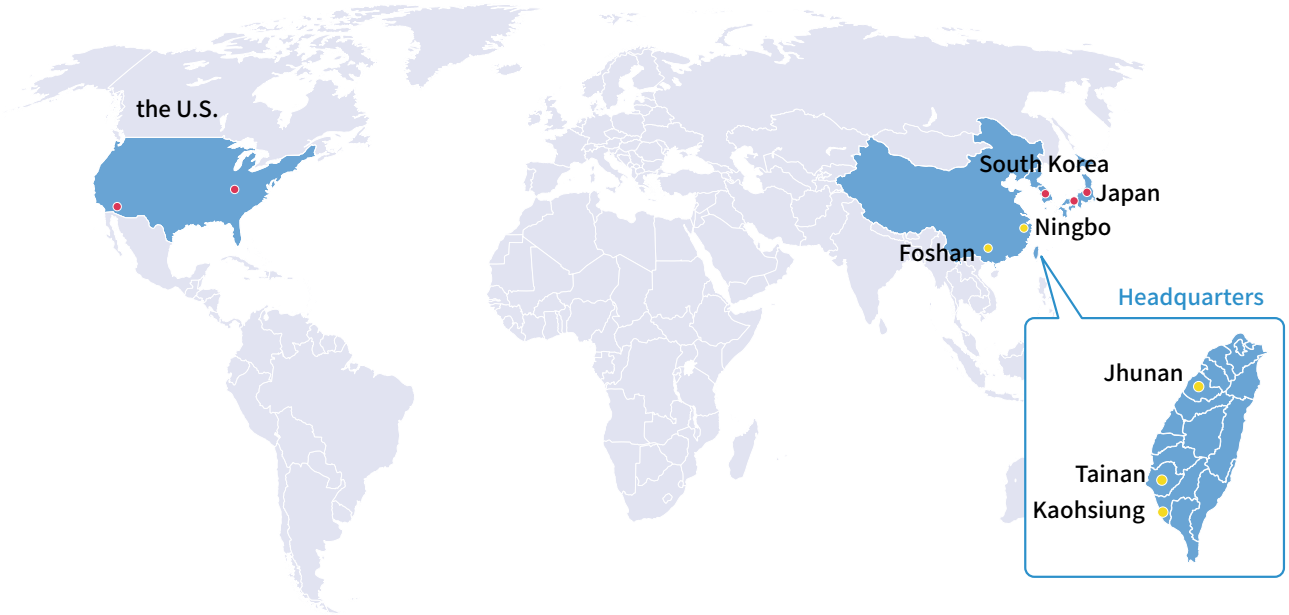
Production Locations

Taiwan: Jhunan, Tainan, Kaohsiung
China: Ningbo, Foshan

Sales/service locations

Taiwan, China, Japan, South Korea, the United States

- Production Locations
- Sales/service locations



Participation in Organizations

Innolux Corporation adheres to a neutral political stance, abides by Article 4 of the Innolux Code of Conduct Specifications (the Company shall not make political contributions in order to obtain commercial benefits or gain trade advantages; in addition, the Company shall avoid concealed bribery in the guise of inappropriate charitable donations) in its participation in any organization, and does not engage in lobbying activities in support of any interest group or organization. We actively participate in non-profit organizations that share our vision and values and are committed to facilitating the exchange of ideas and experience within the industry. We also pay close attention to major issues in corporate governance, technological innovation, environmental sustainability, and human rights and supply chain management, and carry out regular evaluations of organizations in regard to their stance on major topics (e.g., the Paris Agreement). Participation in these organizations is reevaluated in case of a divergence in views.

In 2025, Innolux invested a total of NT$7.32 million in industry unions and associations.

Category	Organization	Participation in 2025			Amount Invested in Recent Years (in TWD)					
		Role	Member	Project/ Committee	2025	2024	2023	2022	2021	2020
Industry development	Taiwan Panel & Solution Association (TPSA)	Chair	●	●	4,290,000	3,680,000	3,680,000	3,680,000	2,460,000	2,520,000
	The Allied Association for Science Park Industries		●	●	684,000	810,000	810,000	810,000	810,000	810,000
	Allied Association for Industries in the Hsinchu Science and Industrial Park	Vice Convener	●	●	684,000	774,000	774,000	-	-	-
Corporate governance	Taiwan Listed Companies Association				-	-	-	100,000	100,000	100,000
Technological innovation	Forum of Incident Response and Security Team (FIRST)		●		87,875[1]	86,730	86,730	77,450	-	-
Environmental sustainability	Business Council for Sustainable Development (BCSD)		●	●	60,000	60,000	60,000	60,000	60,000	60,000
	CommonWealth Sustainability		●		-	100,000	100,000	100,000		
	Taiwan Alliance for Net Zero Emission (TANZE)				-	-	105,000	105,000	-	-
	Taiwan Climate Partnership (TCP)	Supervisor (President)	●	●	-	50,000	50,000	150,000	-	-
	Taiwan Carbon Capture Storage and Utilization Association (TCCSUA)	Director (Chief Sustainability Officer)	●		10,000	100,000	-	-	-	-
Human rights and supply chain management	Responsible Business Alliance (RBA)			●	1,500,103[2]	564,189	1,480,496	413,049	1,023,969	278,362
Political contributions					0	0	0	0	0	0
Lobbying					0	0	0	0	0	0
	Total				7,315,978	6,224,919	7,146,226	5,495,499	4,456,969	3,768,362

Note1: Based on the exchange rate on December 31, 2025, the annual membership fee for the Forum of Incident Response and Security Team (FIRST) was 2,800 USD.

Note2: Based on the exchange rate on December 31, 2025, the amount invested for participation in the Responsible Business Alliance (RBA) in 2025 was 47,798 USD.

Participation in Climate-related Organizations and Policy Initiatives

In response to the Paris Agreement, Innolux has set clear net-zero targets and implementation roadmaps. In addition to internal efforts, we actively engage in climate and natural resource initiatives, follow emerging carbon management trends, and participate in efforts that reflect our commitment to carbon neutrality and environmental protection.

To manage such participation, Innolux has established a mechanism overseen by the Sustainability Development Committee and the Chief Sustainability Officer to ensure global operations align with our policies and the Paris Agreement.

Management mechanism for industry association participation

Innolux collaborates with like-minded nonprofit industry associations and implements the following procedures:

step 01

Screening Mechanism

We regularly review associations to ensure their core goals support climate action and that they influence policy dialogue, advocacy, and public education. Qualified associations are incorporated into our climate-related engagement system.

step 02

Assessment and Oversight Mechanism

We evaluate these organizations annually to ensure alignment with the Paris Agreement, such as limiting global warming to 1.5° C or 2° C andachieving netzero by 2050. We monitor their advocacy, outreach, and training efforts for consistency with Innolux's strategy.

step 03

Response and Adjustment Mechanism

If aligned, engagement continues and deepens. If misaligned, we seek consensus internally; failing that, we consider withdrawal to ensure consistency with long-term sustainability goals.

Policy Advocacy and Lobbying Management Mechanism

When Innolux has the need to directly advocate for climate-related policies, the Company complies with the regulations of its operating sites and uses internal management mechanisms to ensure that advocacy activities are aligned with its climate change policy and the goals of the Paris Agreement. At present, Taiwan's primary regulation for addressing climate change and carbon emissions is the Climate Change Response Act. The Act covers key elements such as the 2050 net-zero emissions target, the carbon fee mechanism, carbon inventory and management, energy transition, and voluntary reduction programs. Innolux recognizes the role of this policy in guiding corporate system reform, supports the development of related regulations, and takes proactive action in response.

step 01

Policy Advocacy Process

All policy advocacy activities are subject to prior evaluation to ensure alignment with Innolux's climate strategy and carbon reduction targets, and must be submitted to the Sustainability Development Committee for review.

step 02

Internal Oversight and Reporting

Advocacy activities are regularly reported to the Committee to ensure transparency and compliance.

step 03

Response and Adjustment

If successful, advocacy is continued and expanded. If not, strategies are reviewed, and participation may be re-evaluated or discontinued if it is misaligned with the Company's policy objectives.

2025 Assessment Results

In 2025, Innolux engaged with six industry associations. After review, three were identified as climate-related, accounting for 50% of total participation. All passed our internal evaluation process.

Associations	Assessment Results
Business Council for Sustainable Development (BCSD)	Promotes corporate sustainability by aligning with international market standards and research institutions on sustainability guidelines and related issues; fully aligned with Innolux's objectives
Taiwan Carbon Capture Storage and Utilization Association (TCCSUA)	Dedicated to the goal of net-zero emissions and promoting corporate sustainability; fully aligned with Innolux's objectives.
Responsible Business Alliance (RBA)	Dedicated to the goal of net-zero emissions and promoting sustainable supply chains; fully aligned with Innolux's objectives.

0.4 / Sustainability Performance

Governance

- Elected for inclusion in the Dow Jones Best-in-Class World Index for the **eighth** consecutive year
- Independent directors accounted for **more than half** of the Board seats, with women representing **22.22%**.
- Annual consolidated revenue reached **NT$226.7 billion**.
- Received a Panorays Security Posture Maturity Rating score of **96**.
- Sites in Taiwan passed TIPS **AA-Class** Certification.
- Ranked among Taiwan's **top 10** patent applicants, with a cumulative total of **15,348** patents worldwide.
- Customer satisfaction reached **97.4%**.



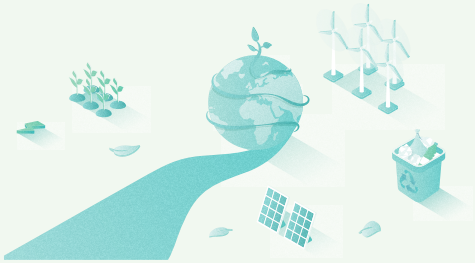
Society

- The proportion of women promoted has been higher than that of men for the past **four years**.
- Average training hours per employee reached **118 hours** for the year.
- Overall employee engagement survey satisfaction score of **84**.
- The annual disabling injury frequency rate (FR) was **0.13**, the best performance in recent years.
- Health care expenditure reached **NT$21.4 million**.
- **Zero** instances of occupational disease.
- A cumulative total of more than **75** net-zero environmental education courses.



Environment

- **107** energy management projects filed, saving **37.41 million kWh** of electricity.
- Achieved a cumulative **37.0%** reduction in Scope 1 and Scope 2 emissions, reaching the 2030 carbon reduction target ahead of schedule.
- Energy and resource consumption decreased by **4.2%** compared with the previous year.
- Electricity consumption decreased by **3.8%** compared with the previous year.
- Water consumption decreased by **3.2%** compared with the previous year.
- Process water recycling rate increased to **97.6%**
- Waste generation decreased by **5.0%** compared with the previous year.



0.5 / Honors and Affirmations

Sustainability Evaluation

Dow Jones
Selected for inclusion in the Dow Jones Best-in-Class World Index (formerly known as the DJSI World Index) for the eighth consecutive year.

S&P Global
Received an S&P Global ESG Score of 81, representing an increase from the previous year; included in the S&P Global Sustainability Yearbook.

CDP
CDP A List – Water Security for the third consecutive year
CDP A List – Climate Change

FTSE Russell
Received an FTSE Russell ESG Rating of 4.0

Selected as a constituent of the FTSE4Good Index Series.

Sustainalytics
Rated as Low Risk in the Sustainalytics ESG Risk Rating.

ISS
Received an ISS Institutional Shareholder Services ESG rating of B-.

LSEG
Received an LSEG London Stock Exchange Group ESG score of 85, ranking among the top 5% of companies in the Electronic Equipment and Parts industry.

EcoVadis
Received an EcoVadis Silver rating, placing Innolux among the top 15% of companies.

Taiwan Sustainability Ratings
Received the highest AAA ESG rating in the Taiwan Sustainability Ratings, ranking among the top 5% of all rated companies based on standardized total scores.

Awards

Global Corporate Sustainability Awards (GCSA)

- Sustainability Reporting
- Great Practice

Taiwan Corporate Sustainability Awards (TCSA)

- Top 100 Sustainable Taiwanese Companies Award
- Sustainability Reporting - Gold Award
- Sustainability Reporting Award – Gold Class
- Circular Economy Leadership Award
- Climate Leader Award

CommonWealth Magazine Corporate Sustainability Awards

- Top 35 Companies

Business Weekly

- Top 100 in Carbon Competitiveness in 2025

34th Taiwan Excellence Awards

Recognized by the Taiwan Excellence Awards for **the 20th consecutive year**.

- Received the Taiwan Excellence Award mark for **two products** in 2025.
- Honored with the Taiwan Excellence Silver Award for Echo InnoGallery.

Outstanding Resource Recycling Enterprise

- The Tainan Tree Valley Branch received the Silver Award for Outstanding Resource Recycling Enterprise from the Ministry of Environment.



Sustainability Initiatives

Science Based Targets initiative (SBTi)

- Utilizes science-based methods to mitigate the environmental impact of GHG emissions, has set carbon reduction targets and pathways, and has passed the W2BC review for its emissions reduction pathway.

Business for Nature-Call to Action

- Advocates for ambitious international collaboration for nature, and supports policies aligned with the UN Convention on Biological Diversity and the UN Framework Convention on Climate Change, with the goal of reversing nature loss by 2030.

Business for Nature-It's Now for Nature

- Reviewed by Business for Nature. In alignment with the Nature Strategy Handbook, the company formulated and published a SMART strategy, demonstrating its commitment to protecting natural resources.

Supporter of the Task Force on Nature-Related Financial Disclosures

- Voluntarily supports and aligns with the disclosure framework established by the Taskforce on Nature related Financial Disclosures (TNFD).



1

A Focus on Creating Sustainable Value





1.1 / Sustainability Vision and Strategy

GRI 2-9、2-12、2-13、2-14、2-16、2-23、2-24、2-25

Innolux is committed to implementing corporate sustainability. With reference to the United Nations Sustainable Development Goals (SDGs), the Company has formulated its Sustainable Development Policy and Sustainable Development Code of Conduct, identified priority issues, and set its 2030 sustainability targets. Innolux integrates internal and external resources to ensure that its ESG objectives advance in parallel with corporate development and social responsibility while remaining aligned with global standards and trends. These objectives are embedded in corporate decision-making, daily operations, and the overall value chain, forming a comprehensive and well-rounded sustainable management framework.

1.1.1 Sustainable Development Policy

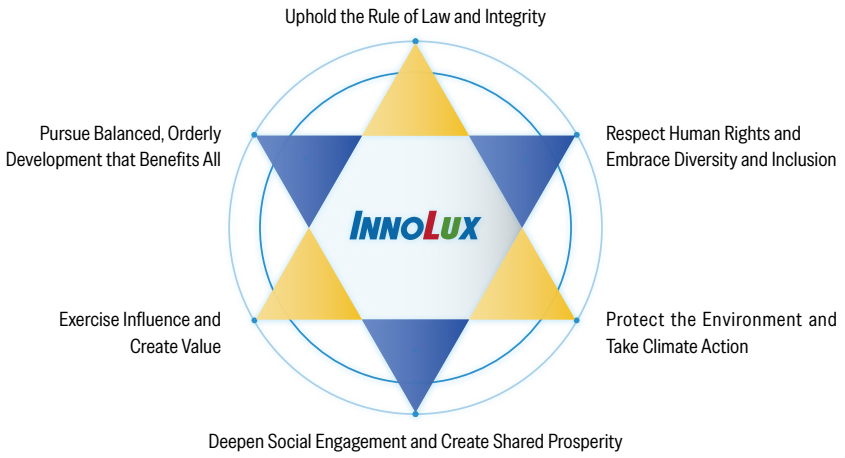
Vision

Creating a Diversity of Shared Values for a Sustainable, Prosperous Future

Pillars of Development



Core Commitments



1.1.2 Sustainability Management at Innolux

Sustainable Development Committee

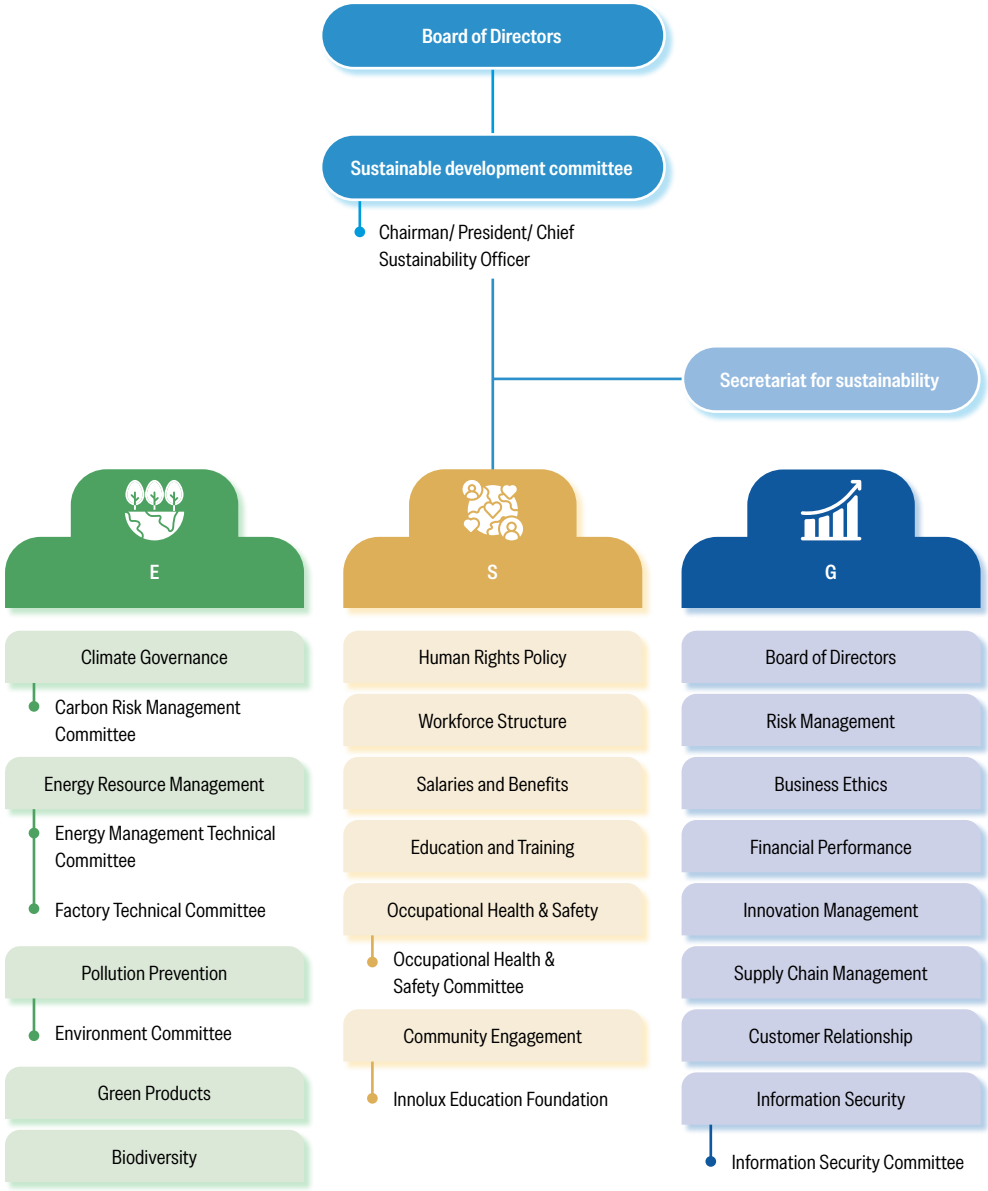
Established in 2011, the Sustainable Development Committee is the Company's highest-level decision-making body for sustainable development. The Committee is chaired by the Chairman of the Board, with the President serving as deputy chair. In 2019, the position of Chief Sustainability Officer (CSO) was established. Together with senior executives from various fields, the CSO reviews the Company's core operational capabilities and formulates medium- to long-term sustainable development plans. Through its task forces, the Committee identifies sustainability issues that are closely related to the Company's operations and of concern to stakeholders, formulates corresponding strategies and operational guidelines, plans and implements annual programs, and prepares sustainability-related budgets for each organization. By tracking the effectiveness of these initiatives, the Committee ensures that sustainable development strategies are fully implemented across the Company.

Sustainable Development Committee as a Secretariat for Sustainability Affairs

The Committee acts as secretariat for sustainability affairs. Each year, it works with the task forces and functional departments to understand stakeholder needs, analyze global sustainable development trends, and plan recommended action plans. It also prepares the Company's sustainability report to disclose the effective implementation of Innolux's sustainable development strategies.



Sustainable Development Committee Organizational Chart



1.1.3 SDGs at the Core of Our Sustainability Strategy

In response to the United Nations' 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs), Innolux has established a sustainable development management framework in accordance with the United Nations Global Compact (UNGC) and Global Reporting Initiative (GRI) guidelines. Guided by the vision of "Creating a Diversity of Shared Values for a Sustainable, Prosperous Future," Innolux has built its sustainability strategy on three pillars of development: Go Green: Environmental Conservation with Lasting Determination, Go Sharing: Social Co-prosperity with Ongoing Care, and Go Responsible: Integrity-driven and Responsible Governance. Together, these pillars reflect the Company's core commitments across the environmental, social, and governance dimensions.

In keeping with the SDG Impact Standards for Enterprises issued by the United Nations Development Program (UNDP), and with the participation of 2,051 stakeholders, Innolux has developed quantifiable sustainability goals for 2030 and annual strategies covering strategy planning, goal commitments, actions to be taken, performance reviews, and cross-sector collaboration. The Company also tracks the results of the previous year's implementation and maps its actions to 11 priority SDGs in order to more closely align Company actions to specific SDG targets. Through this process of implementation and goal-setting, Innolux seeks to ensure that sustainability is fully integrated into organizational operations and plays a substantive role in its business activities, enabling the Company to make a positive contribution to the global SDGs.

2030 Innolux Sustainable Development Goals

SDGs		Sustainable Development Goals	2030 Target	2026 Target	2025 Target	2025 Performance	Target Achieved?	Associated Material Topic[Note 1]
3. Good Health and Well-Being	3.4 Promote mental health and well-being	Percentage of employees receiving mental health support	≥90%	≥90%	≥90%	96%	✓	Occupational health and safety
	3.D Strengthen the capacity of all countries for management of health risks	Percentage of employees at risk of chronic diseases	≤12.5%	≤12.5%	≤12.5%	13.4%	✗	Occupational health and safety
4. Quality Education	4.4 Increase the number of youth and adults who have relevant skills, including technical and vocational skills	Retention of technical personnel	≥85%	≥80%	≥80%	87.88%	✓	Talent recruitment and retention
	4.7 Ensure that all learners acquire the knowledge and skills needed to promote sustainable development	Average no. annual education and training hrs.	≥160	≥110	≥110	118.1	✓	Talent development and training
6. Clean Water and Sanitation	6.3 Improve Water Quality, Wastewater Treatment and Safe Reuse	Water reclamation rate	≥97%	≥97%	≥97%	97.6%	✓	Water resource management
	6.4 Increase water-use efficiency	Water reclamation rate	≥97%	≥97%	≥97%	97.6%	✓	Water resource management
7. Affordable and Clean Energy	7.3 Increase energy efficiency	Reduction in Scope 1 and Scope 2 emissions (vs. 2021)	≥25%	≥21%	≥16.8%	↓ 35.9%	✓	Climate strategy and energy
		Carbon reduction by key suppliers (vs. 2020)	≥20%	Monitored against suppliers' targets	-	↓ 12.9%	✓	Climate strategy and energy
	7.A Expand renewable energy technology	Percentage of renewable energy used	≥20%	≥7%	≥6%	4.8%	✗	Climate strategy and energy
8. Decent Work and Economic Growth	8.4 Improve resource efficiency	Reduction in Scope 1 and Scope 2 emissions (vs. 2021)	≥25%	≥21%	≥16.8%	↓ 35.9%	✓	Climate strategy and energy
		Carbon reduction by key suppliers (vs. 2020)	≥20%	Monitored against suppliers' targets	-	↓ 12.9%	✓	Climate strategy and energy

SDGs		Sustainable Development Goals	2030 Target	2026 Target	2025 Target	2025 Performance	Target Achieved?	Associated Material Topic [Note 1]
8.Decent Work and Economic Growth	8.5 Achieve full and productive employment and decent work for all	Retention of technical personnel	≥85%	≥80%	≥80%	87.88%	✓	Talent recruitment and retention
		Scope of employee commitment survey	>80%	>30%	>20%	30.3%	✓	Talent development and training
		Employee commitment survey scores	>80	>80	>80	84.4	✓	Talent development and training
	8.8 Protect labor rights	Lost time injury frequency rate (LTIFR)	≤0.22	≤0.24	≤0.24	0.11	✓	Occupational Health and Safety
		Contractors' LTIFR	≤0.25	≤0.25	≤0.25	0.35	✗	Occupational Health and Safety
		ESG audit improvement rate among high-risk suppliers	≥85%	≥85%	≥85%	100%	✓	Supply chain management
		Responsible Business Alliance (RBA) Self-Assessment Questionnaire (SAQ) scores on human rights	≥90	≥90	≥90	93.8	✓	Customer relationship management
9.Industry, Innovation and Infrastructure	9.1 Develop quality, reliable, sustainable and resilient infrastructure	Percentage of ISO 27001-certified locations	100%	Maintain certificate validity	100%	Completed transition to the new version and obtained certification / new TISAX label	✓	Information security
		SECPASS cybersecurity rating	A	Grade A or a score of 90 or above	A	A	✓	Information security
		Major information security breaches	0	0	0	0	✓	Information security
	9.4 Upgrade infrastructure and retrofit industries to make them sustainable	Volatile organic compound (VOC) treatment efficiency	≥92%	≥92%	≥92%	95.0%	✓	Air pollution management
		Reduction in Scope 1 and Scope 2 emissions (vs. 2021)	≥25%	≥21%	≥16.8%	↓ 35.9%	✓	Climate strategy and energy
		Carbon reduction by key suppliers (vs. 2020)	≥20%	Monitored against suppliers' targets	-	↓ 12.9%	✓	Supply chain management
	9.5 Enhance scientific research and innovation	Global patents	≥15,000	≥15,000	≥14,700	15,348	✓	Innovation and R&D
	9.B Support domestic technology development, research and innovation	Global patents	≥15,000	≥15,000	≥14,700	15,348	✓	Innovation and R&D
11. Sustainable Cities and Communities	11.A Support positive economic, social, and environmental links between urban, peri-urban and rural areas	Cumulative volunteer service hours	≥8,500	≥7,400	≥5,500	6,408	✓	Note 2
12. Responsible Consumption and Production	12.2 Achieve the sustainable management and efficient use of natural resources	Recycling rate for hazardous waste	≥95%	≥95%	≥95%	98.9%	✓	Waste and circular economy
		Water reclamation rate	≥97%	≥97%	≥97%	97.6%	✓	Water resource management
		Percentage of recycled materials used	100%	60%	≥15%	80%	✓	Sustainable manufacturing

SDGs		Sustainable Development Goals	2030 Target	2026 Target	2025 Target	2025 Performance	Target Achieved?	Associated Material Topic [Note 1]
	12. Responsible Consumption and Production	12.4 Achieve the environmentally sound management of all waste	Recycling rate for hazardous waste	≥95%	≥95%	≥95%	98.9%	✔	Waste and circular economy
		12.5 Substantially reduce waste generation	Recycling rate for hazardous industrial waste	≥95%	≥95%	≥95%	98.9%	✔	Waste and circular economy
			Percentage of recycled materials used	100%	60%	≥15%	80%	✔	Sustainable manufacturing
		12.6 Encourage companies to integrate sustainability information into their reporting cycle	ESG audit improvement rate among high-risk suppliers	≥85%	≥85%	≥85%	100%	✔	Supply chain management
		12.8 Ensure that people everywhere have awareness of sustainable development	Number of suppliers taking part in ESG initiatives	≥100%	60%	≥60%	66%	✔	Supply chain management
	13. Climate Action	13.3 Improve capacity re climate change	Carbon reduction by key suppliers (vs. 2020)	≥20%	Monitored against suppliers' targets	-	↓ 12.9%	✔	Climate strategy and energy
	16.Peace, Justice and Strong Institutions	16.7 Ensure inclusive, participatory and representative decision-making at all levels	RBA SAQ scores on human rights	≥90	≥90	≥90	93.8	✔	Customer relationship management
	17. Partnerships for the Goals	17.16 Enhance the Global Partnership for Sustainable Development	Customer satisfaction achievement rate	≥98%	>95%	≥95%	97.4%	✔	Customer relationship management
			ESG audit improvement rate among high-risk suppliers	≥85%	≥85%	≥85%	100%	✔	Supply chain management
			Number of suppliers taking part in ESG initiatives	100%	60%	≥60%	66%	✔	Supply chain management

✔ indicates that the 2025 target was achieved; ✘ indicates that the target was not achieved.

Note1: The material topics disclosed in this report are based on 2024's materiality analysis results and are slightly different from the topics disclosed in the previous year because some titles were changed, topics were combined, and the scope of disclosure was streamlined. For the entire process of materiality analysis and corresponding descriptions, see section 1.2: Stakeholder Communication and Materiality Analysis.

Note2: This topic was not designated as a material topic in 2024 but is one of the sustainability goals for 2030.

1.2 / Stakeholder Communication and Materiality Analysis

GRI 2-26、2-29、3-1、3-2、3-3

In accordance with the GRI Universal Standards 2021 and with reference to the Stakeholder Engagement Standard (AA1000 SES 2015), Innolux conducts a materiality analysis each year. The Company has established a three-stage process of identification, analysis, and confirmation centered on inclusivity, materiality, responsiveness, and impact. This process is used to determine the boundaries and scope of sustainability disclosures, identify material topics, and provide an important reference for the Company's sustainability strategy development. The results, together with updates on stakeholder communication and the findings of the materiality analysis, are reported annually to the Sustainable Development Committee and the Board of Directors. The outcomes are also incorporated into the risk management process.

The analysis process and results are independently assured by SGS Taiwan Ltd. under Type 2, high-level assurance as defined in the AA1000 Assurance Standard v3, ensuring their reliability and completeness.

1.2.1 Stakeholder Communication

Innolux values stakeholder communication and, in accordance with the AA1000 Stakeholder Engagement Standard (SES), identifies six primary stakeholder groups most relevant to its operations. These include employees, customers, shareholders/investors, suppliers/contractors/subcontractors, government/industry associations, and society (including schools, communities, media, and non-governmental organizations).

	Purpose of Engagement	Issues of Concern	Communication Method/Frequency	Actions in 2025
Employees	A solid talent pool is the cornerstone of a sustainable enterprise. Innolux has a comprehensive human resource system in place to cultivate interdisciplinary talent, foster employee growth, and create a welcoming workplace.	» Talent recruitment and retention » Human rights » Talent development and training » Occupational safety and health » Diversity and equality » Ethical management	» Employer-employee meetings/ quarterly » Department meetings/as needed » Employee care hotline and mailbox/ as needed » Employee satisfaction surveys/as needed » Mobile app: Employee Assistance Programs (EAPs)/as needed » Email: 67885.tw@innolux.com	» 202 employer-employee meetings » 1,058 reports processed internally
Clients	Customer satisfaction is Innolux's ultimate mission. We hope to win our clients' trust by creating mutually beneficial outcomes with the most valuable, comprehensive solutions.	» Innovation and R&D » Customer relationship management » Information security » Supply chain management » Ethical management » Sustainable manufacturing	» Meetings with clients/biweekly » Customer complaint review meetings/monthly » "Voice of Clients" (VoC) review meetings/quarterly » Customer satisfaction surveys/ annual » Customer relation audits/as needed » Customer service mailbox/as needed » Email: tech@innolux.com	» 20+ product development and quality meetings with major clients » 150+ product quality review meetings with VIP clients » 2,500+ client interactions

	Purpose of Engagement	Issues of Concern	Communication Method/Frequency		Actions in 2025
Shareholders/ investors	Shareholders and investors provide Innolux with the necessary funds for its operations. Innolux upholds the principle of information transparency to build trust with our shareholders and investors and create more value for them.	» Ethical management » Financial performance » Risk management » Sustainable manufacturing » Information security » Innovation and R&D	» Investors' forums/quarterly » Investor conferences/semi-annual » Shareholders' meetings/annual » Annual reports and sustainability reports/annual	» Investor-analyst engagement meetings/as needed » Investor service mailbox/as needed » Shareholder service mailbox/as needed » Email: ir@innolux.com	» 10 investor forums organized by securities firms » 2 investor conferences » 1 shareholders' meeting » 30+ investor-analyst engagement meetings » 100+ responses to investor hotline and mailbox
Suppliers/ contractors/ subcontractors	Suppliers, contractors, and subcontractors are partners who have a vital role to play in enhancing our competitiveness and sustainability impact. Through strict supply chain management, Innolux forges a robust partnership with its suppliers to collectively promote sustainable manufacturing and social responsibility and ensure stability and compliance in our supply chain.	» Ethical management » Customer relationship management » Innovation and R&D » Occupational safety and health » Supply chain management » Sustainable manufacturing	» Supplier communication meetings/ biweekly and monthly » Supplier conferences/annual » Supplier self-evaluation surveys/ annual	» Anticorruption reporting mailbox/as needed » On-site audits and guidance/as needed » Email: speak-up@innolux.com	» 304 continual improvement program (CIP) meetings with suppliers » 1,701 supplier communication meetings » 30 reports received and processed externally
Government/ public associations	Innolux complies with the government laws and regulations of the place of operation. We support policy implementation in communication and coordination with the government and public associations. By engaging with industries, government officials, and academic communities and keeping abreast of expert opinions, we address needs with precision while working together with the relevant parties to ensure a safe and compliant operating environment.	» Talent development and training » Sustainable manufacturing » Customer relationship management » Ethical management » Information security » Occupational safety and health » Human rights	» Meetings (seminars, conferences, hearings, workshops)/as needed » Correspondence/as needed	» Public relations service mailbox/as needed Email: pr@innolux.com and csr@innolux.com	» 6 government-organized meetings » 3 government-organized experience-sharing meetings
Society (schools, communities, media, and NGOs)	In upholding our vision of creating a co-prospering society, Innolux continues to build a long-term collaborative relationship with the general public so as to amplify our positive impact on society.	» Human rights » Ethical management » Talent development and training » Social engagement and care » Information security » Talent recruitment and retention	» Volunteer service/as needed » Media (press releases, news publications, interviews)/as needed » Project collaborations and visits/as needed » Communication with community members/as needed » Events and forums/as needed	» "Innolux Sustainability DNA" Facebook and Instagram pages/as needed » Dedicated hotline and mailbox/as needed » Email: pr@innolux.com, csr@innolux.com, or Foundation@innolux.com	» 32 educational activities promoting net-zero carbon emissions » 1 online campaigns promoting net-zero carbon emissions » 4 press events (press conferences/media campaigns) » 7 media interviews » 47 press releases » 15 social media posts » 300+ media communications (via mail, text, and phone)

Note1: Contact information is provided in "Stakeholder Communication" on p.47-48 of our Annual Report.

1.2.2 Materiality Analysis

In accordance with GRI 3: Material Topics 2021 under the GRI Universal Standards 2021 and the AA1000 Accountability Principles, Innolux incorporated impact assessment methodologies published by other international organizations and established a two-year double materiality management process utilizing three frameworks: stakeholder concerns, business impacts, and external sustainability impacts. In the first year, the process focused on identifying issues within the context of sustainability and conducting questionnaire surveys. Through this process, Innolux identified a total of 12 material topics and analyzed their actual impacts across four segments of the value chain: upstream procurement, display manufacturing, customer use, and society at large. With reference to the applicable frameworks, these topics were mapped to 15 GRI Topic Standards and three Innolux-defined topics, resulting in a total of 18 topics. For topics without dedicated GRI Topic Standards, the management approach is disclosed in accordance with GRI 3-3. In the second year, Innolux reviewed changes in material topics and their interrelationships. Drawing on the observations and experience of Company executives and employees in promoting sustainability, the Company examined the relationships between material topics, action plans, resource allocation, and performance outcomes to ensure the effectiveness of Innolux's sustainability strategies. In 2025, Innolux continued to build on the survey results from the previous year. Using the Decision Making Trial and Evaluation Laboratory (DEMATEL) method, the Company invited key executives and employees to analyze the causal relationships and degree of influence among material topics. The results provide a decision-making reference for validating investment into and the allocation of resources in relation to the material topics. The details of the materiality analysis are shown in the table below.

Stages of Materiality Analysis





Stage 1

Identify - Inclusivity

step 01 — **6** stakeholders

Innolux identified its stakeholders based on AA1000 SES: employees, clients, shareholders/investors, suppliers/contractors/subcontractors, government and public associations, and society (schools, communities, media, and NGOs).

step 02 — **20** sustainability issues

We determined sustainability issues by adopting international sustainability standards and regulations (GRI Standards, ISO26000, RBA, and UNSDGs), by referring to the ratings and indexes of sustainability rating institutions (DJSI, CDP, MSCI ESG Index), and by defining our own issues.



Stage 2

Analysis - Materiality

step 03 — **3,534** questionnaires

We conducted a survey of stakeholder concerns by administering questionnaires, online and in print, to employees, clients, shareholders/investors, suppliers/contractors/subcontractors, government and public associations, and society (schools, communities, media, and NGOs).

step 04 — **40** senior executives

We asked senior executives to evaluate the impact of each sustainability issue on revenue, customer satisfaction, operational risks, and employee cohesion in order to determine the importance of each issue to our operations.



Stage 3

Select - Response

step 05 — **16** impacts on sustainable development

- We defined external sustainability impacts.
- We established the threshold for significance.
- We traced internal sustainability actions to correlate with external sustainability impacts.
- Information on the monetization of external impacts is provided in Innolux's 2024 Sustainability Impact Valuation Report.

step 06 — **12** material topics

Material topics were selected with reference to our questionnaire analysis results and last year's material issues following discussion and confirmation with internal teams and external experts.



Stage 4

Confirm - Impacts

step 07 — **4** stages

18 corresponding disclosures (including 15 GRI topics and 3 self-defined topics)

Innolux identified 12 material topics and linked them to four zones of impact (upstream procurement, display manufacturing, client use, and the general public) according to their impacts on the upstream and downstream entities of the company's value chain. The topics corresponded to 17 GRI-defined topics and 3 Innolux-defined topics developed according to disclosure management plans or approaches. Any material topics without corresponding GRI disclosure guidance were disclosed in accordance with the requirements of Disclosure 3-3.

Impact Evaluation – Non-Monetary

Defining of positive and negative impacts → **Significant impact analysis** → **Sustainability issues with material impacts**

16 Impacts

Define Impacts

Impact	Positive	Negative
Economy	3	1
Environment	2	3
People/Human rights	5	2

Impact sources:

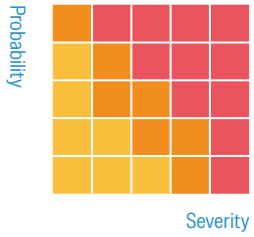
(1) Value Balance Alliance (VBA)

(2) Harvard Business School (HBS) Impact-Weighted Accounts

(3) London Benchmarking Group (LBG)

(4) Innolux Corporation

Impact Matrix



Severity = (1)+(2)+(3)

(1) Level

(2)Scope

(3) Irreversibility

10 Material Impacts

- + Product innovation and R&D
- + Procurement creates upstream output value
- + Tax supports government infrastructure
- - Client data breaches
- + Increase in product environmental benefits
- + Use of renewable energy
- - Consumption of resources exerts impact on people and the environment
- - Use of non-renewable resources
- - Extreme climate events caused by greenhouse gases
- ± Diversity and inclusion facilitate equality in employment

Impact on economy

Impact on environment

Impact on people/ human rights

+ Positive impact

- Negative impact

ESG Issue / Frequency

ESG Issue	Frequency
Innovation and R&D	5
Customer relationship management	3
Supply chain management	4
Financial performance	2
Ethical management	2
Information security	1
Corporate governance	2
Risk management	3
Sustainable manufacturing	8
Air pollution management	3
Water management	2
Climate strategy and energy	5
Waste and circular economy	7
Biodiversity	1
Talent recruitment and retention	1
Human rights	1
Diversity and equality	1
Talent development and training	1
Social engagement and care	2
Occupational safety and health	0

Impact Level	Sustainability Issue
Very High	» Sustainable manufacturing » Waste and circular economy
High	» Innovation and R&D » Climate strategy and energy » Supply chain management » Customer relationship management » Risk management » Air pollution management
Impactful	» Financial performance » Ethical management » Corporate governance » Water management » Social engagement and care » Information security » Biodiversity » Talent recruitment and retention » Human rights » Diversity and equality » Talent development and training

Ranking of Material Topics

Degree of Causality

Degree of Relationship

Quadrant II

Material topics in this quadrant have a high influence on other material topics but are not significantly affected by other material topics themselves.

- Information Security
- Talent Development and Training



Quadrant I

Material topics in this quadrant have high influence and play an important driving role in sustainability promotion.

- Sustainable Manufacturing
- Climate Strategy and Energy
- Supply Chain Management



Quadrant III



Material topics in this quadrant are less affected by other material topics and have relatively limited influence on other material topics.

- Water Resource Management
- Air Pollution Management
- Talent Recruitment and Retention
- Occupational Safety and Health

Quadrant IV



Material topics in this quadrant are more likely to be affected by other material topics and are therefore referred to as affected factors.

- Innovation and R&D
- Customer Relationship Management
- Waste and Circular Economy

The External Sustainability Impact of Each Material Topic on the Economy, Environment, and People (Human Rights)

Impact on Organizational Operations (Financial Materiality)				Material Topic	External Sustainability Impact (Impact Materiality)									
					Economic				Environmental					People (Human Rights)
Revenue Growth	Improving Customer Satisfaction	Operational Risks	Employee Cohesion		Positive: Products and technologies facilitate industrial technological development	Positive: Innolux's procurement creates upstream output value	Positive: Innolux pays taxes	Negative: Improper use of data	Positive: Product environmental benefits	Positive: Increasing use of renewable energy	Negative: Consumption of resources	Negative: Scarcity of nonrenewable natural resources	Negative: Extreme climate events caused by GHG emissions	Positive: Diversity in hiring reduces inequality in employment
	●			Sustainable Manufacturing	◎	◎	○		◎	●	●	●	○	
●	●			Innovation and R&D	◎	◎			◎			●	○	
●	●	●		Supply Chain Management	◎	◎			◎			●		
				Climate Strategy and Energy			○		◎	●	●		○	
●	●			Customer Relationship Management	◎	◎		◎						
				Waste and Circular Economy	◎	◎			◎	●	●	●	○	
				Water Resource Management						●	●			
			●	Talent Development and Training										●
				Information Security				◎						
				Air Pollution Management						●	●		○	
			●	Occupational Safety and Health										
			●	Talent Recruitment and Retention										●

Note: ● Direct impact; ○ Indirect/potential impact; ◎ Impact on business relationship

GRI Topics and Value Chain

Material Topic	GRI-defined Topic	SASB Standards	Stage in Value Chain and Relationship Thereto [Note 1]			
			Procurement	Production/ Manufacturing	Client Use	General Public
Sustainable Manufacturing	Materials (301), Defined by Innolux	TC-HW-410a.1/ TC-HW-410a.2/ TC-HW-410a.3/ TC-HW-410a.4		●		
Innovation and R&D	Defined by Innolux			●	◎	
Supply Chain Management	Procurement Practices (204), Supplier Environmental Assessment (308), Supplier Social Assessment (414)	TC-HW-430a.1/TC-HW -430a.2/TC-HW-440a.1	◎	●		
Climate Strategy and Energy	Energy (302), Emissions (305)		◎	●	◎	◌
Customer Relationship Management	Customer Privacy (418), Customer Health and Safety (416)			●	◎	
Waste and Circular Economy	Waste (306), Materials (301)			●		◌
Water Resource Management	Water and Effluents (303)			●		◌
Talent Development and Training	Training and Education (404)			●		
Information Security	Defined by Innolux	TC-HW-230a.1		●		
Air Pollution Management	Emissions (305)			●		◌
Occupational Safety and Health	Occupational Health and Safety (403)		◎	●		
Talent Recruitment and Retention	Employment (401)、Diversity and Equal Opportunity (405):	TC-HW-330a.1		●		◌

Note1: ● Direct impact; ◌ Indirect/potential impact; ◎ Impact on business relationship

Enterprise Risk Management (ERM)

"Drawing on international best practices in risk management, Innolux has established a risk management mechanism tailored to its corporate characteristics. Through double materiality analysis, we identify and manage material topics, with the results reviewed by senior management and reported to the Board of Directors for approval. This process ensures the formulation of effective strategies for key issues, focusing on the identification and response to internal and external risks. We remain committed to continuous optimization, utilizing annual review mechanisms to align sustainability governance with operational performance."

Aspect	Material Topic	Risk Description	Mitigation/Control Measures	Frequency of Occurrence Note 1	Severity Note 1
Economy	Sustainable Manufacturing	A non-conforming production process may lead to legal risks and increased costs.	Adopt energy conservation and carbon reduction technologies to use resources more efficiently; promote the use of green manufacturing technology to reduce carbon footprint.	Moderately frequent	Moderate
	Innovation and R&D	Lack of technology innovation may result in reduced market competitiveness, thereby affecting revenue performance.	Invest more resources in R&D, encourage the innovation of green technologies and products, and increase patent filings.	Moderately frequent	High
	Supply Chain Management	Broken supply chain or suppliers' non-compliance with ESG requirements may influence productivity and brand reputation.	Establish ESG review mechanism for suppliers to regularly evaluate compliance in supply chain; setSDGs with key suppliers.	Frequent	High
	Customer Relationship Management	Inability to meet clients' technical service requirements may result in low satisfaction and client loss.	Increase technical service capacity and build a swift response mechanism to meet the needs of different types of customers; ramp up collaboration efforts with clients.	Moderately frequent	Moderate
	Information Security	Security breaches may cause confidential data to be compromised, leading to financial losses and reputational damage.	Strengthen information security management by obtaining ISO27001 certification; conduct regular cybersecurity drills to raise employees' cybersecurity awareness.	Frequent	High
Society	Talent Development and Training	Incompetent employees impede the company's sustainable development.	Provide diverse training opportunities and develop an internal talent development mechanism; strengthen partnerships with academic institutions to improve employees' technical skills.	Infrequent	Moderate
	Occupational Safety and Health	Occupational injuries/incidents or occupational safety violations may lead to legal risks and production downtime.	Build a comprehensive occupational safety management system and provide regular safety training; conduct periodic equipment safety inspections to ensure compliance with legal requirements.	Moderately frequent	Moderate
	Talent Recruitment and Retention	Losing talent may affect business stability and innovation capability.	Offer competitive salaries and benefits and design attractive career paths; create talent retention programs and improve employee satisfaction.	Moderately frequent	Moderate
Environment	Climate Strategy and Energy	Energy price fluctuations and evolving carbon emission regulations may lead to higher operational costs and pose challenges to the company's strategic planning and decision-making process.	Increase the use of renewable energy and optimize energy efficiency; incorporate climate risks into the company's strategies and decision-making process.	Frequent	High
	Waste and Circular Economy	Improper disposal of waste may expose the company to environmental and legal risks.	Increase waste recycling rate by adopting a circular economy model; collaborate with waste disposal companies to ensure proper disposal of waste.	Moderately frequent	Moderate
	Water Resource Management	Water shortages or non-conforming effluent may compromise company operations and brand reputation.	Adopt wastewater recycling technology to reduce water resource consumption; check effluent quality regularly to ensure compliance with environmental standards.	Moderately frequent	Moderate
	Air Pollution Management	Exceedance of emissions standards is a violation of the law, leading to penalties and social responsibility risks.	Adopt advanced pollution management technology and improve monitoring systems; conduct periodic review of compliance with emissions standards.	Moderately frequent	Moderate

Note1: Scale is defined on the basis of the results of three questionnaires on stakeholder concerns, impact on operations, and external sustainability impact and following discussion among employees and a review of industry trends at home and abroad.

1.3 / Sustainability Impact

GRI 203-2

Innolux Sustainability Impact

The core purpose of Innolux's sustainability efforts is to create long-term value for stakeholders. Innolux has adopted a profit and loss approach in combination with the combining the Triple Bottom Line (TBL) approach with the six capitals—economic, environmental, and social.—to measure the positive (benefits) and negative (costs) impacts, direct or otherwise, of value-chain activities on human well-being and the social economy.

2017 — **Introduced impact measurement and valuation (IMV) as a management tool for sustainability**

- 3 segments of the value chain (upstream, operations, downstream)
- 3 aspects of sustainable management (economy, environment, society)
- 14 impact benchmarks

2021 — **Issued a thematic report on Impact Measurement and Valuation (IMV)**

2023 — **Added new evaluation items**

- Procurement leads to the creation of jobs in the supply chain
- Use of renewable energy leads to reduced GHG emissions.
- Use of reclaimed water helps mitigate water scarcity

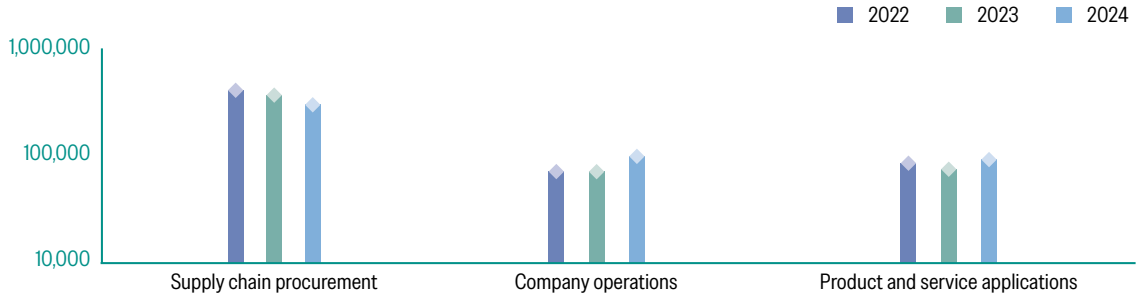
Innolux has established a dual-track impact assessment framework. At its core is a two-year in-depth identification cycle, through which the Company systematically reviews environmental and social externalities across the value chain. This is complemented by an annual dynamic monitoring mechanism under which Innolux continuously tracks international trends, regulatory developments, operational changes, and key stakeholder concerns. Based on actual circumstances, necessary updates and adjustments are made to the boundaries and scope of the impact assessment. This approach not only ensures the timeliness and completeness of sustainability disclosures, but also enables the precise allocation of management resources. It is also aligned with the principles of international sustainability disclosure standards, including the GRI and ESRS, which call for the continuous review and timely updating of impact materiality.

In 2024, Innolux generated NT$216.5 billion in operating revenue during the operational stage. Tax payments, employee compensation, R&D investment, and depreciation and amortization created a positive impact of NT$89.8 billion for stakeholders and contributed to socio-economic growth. At the same time, occupational incidents resulted in NT$4.55 million in social costs, while the environmental footprint and resource consumption arising from production processes generated NT$4.6 billion in environmental costs. Through the deployment of renewable energy and water resource reuse, however, Innolux created NT$260 million in environmental benefits.

In the upstream supply chain stage, Innolux generated NT$283.1 billion in supply chain output value while indirectly creating 18,000 job opportunities and NT$6.7 billion in salary income for workers. Energy and resource consumption in this stage also resulted in NT$9.2 billion in environmental costs. No social costs arising from lost working hours due to contractor occupational incidents were incurred.

In the downstream sales stage, Innolux's products were utilized in end products such as televisions, desktop computers, laptop computers, mobile phones, and other commercial applications, creating NT$175.9 billion in output value for customer industries. However, the use stage of these end products also generated NT$85.0 billion in environmental costs.

Impact Over the Years



4,591 billion
in output value created for our upstream/downstream partners

Our procurement needs boosted development throughout the value chain, creating 3.1x the value for upstream partners while the sales of our LCD display modules created 1.4x the value for clients.

18,000 jobs
created throughout our supply chain

Our procurement needs have created 18,000 jobs and NT$6.7 billion in employee remuneration across our supply chain, benefiting both the electronic component and computer manufacturing industries.

95%
of external environmental costs incurred upstream and downstream

The environmental impact associated with our supply chain and the use of our products demonstrates the importance of Innolux's green supply chain management and product energy efficiency to social wellbeing as a whole.

Innolux Sustainability Impact Pathway

Impact Level	Monetary Value (NT$ million)	>100,000	10,000-100,000	1,000-10,000	100-1,000	10-100	1-10	0-1
	Impact Rating	●●●●●●●	●●●●●●○	●●●●●○○	●●●●○○○	●●●○○○○	●●○○○○○	●○○○○○○

Cause of Impact	Sustainability Issue Managed	Output	Six Major Forms of Capital	Impact Item	Impacted Stakeholders	Impact Attribute	Impact Level 2023	Impact Level 2024	
Supply Chain Procurement	Supply Chain Management	Procurement demand drives industry supply-demand relationship	Social	Social externalities – Increase in supply chain output value	Society	Positive (+)	●●●●●●	●●●●●●	↘
		Procurement demand creates supply chain job opportunities	Human	Social externalities – Supply chain employee compensation	External Employees	Positive (+)	●●●●○○	●●●●○○	↘
		GHG emissions from supply chain	Natural	Environmental externalities – GHG emissions from supply chain	Environment	Negative (-)	●●●●○○	●●●●○○	↘
		Air pollution emissions from supply chain	Natural	Environmental externalities – Air pollution emissions from supply chain	Environment	Negative (-)	●●●●●○	●●●●○○	↘
		Wastewater from supply chain	Natural	Environmental externalities – Wastewater from supply chain	Environment	Negative (-)	●●○○○○	●●○○○○	↘
		Waste from supply chain	Natural	Environmental externalities – Waste from supply chain	Environment	Negative (-)	●●○○○○	●●○○○○	↘
	Occupational Health and Safety	Occupational incidents among contractors	Human	Social externalities – Occupational incidents among contractors	External Employees, Society	Negative (-)	●●○○○○	●○○○○○	↘

Cause of Impact	Sustainability Issue Managed	Output	Six Major Forms of Capital	Impact Item	Impacted Stakeholders	Impact Attribute	Impact Level 2023	Impact Level 2024	
Innolux Operations	Financial Performance	Net revenue	Financial	Stakeholder gross value added (GVA)	Shareholders/ Investors	Positive (+)	●●●●●○	●●●●○○	↗
		Taxes	Financial		Society	Positive (+)	●●●●○○	●●●●○○	↘
		Depreciation and amortization	Manufacturing		Suppliers	Positive (+)	●●●●●○	●●●●●○	↗

Cause of Impact	Sustainability Issue Managed	Output	Six Major Forms of Capital	Impact Item	Impacted Stakeholders	Impact Attribute	Impact Level 2023	Impact Level 2024	
Innolux Operations	Talent Recruitment and Retention	Salaries and benefits	Financial	Stakeholder gross value added (GVA)	Employees	Positive (+)	●●●●●●○	●●●●●●○	↗
	Product and technology innovation and R&D	New technology R&D	Intellectual		Customers	Positive (+)	●●●●●●○	●●●●●●○	↗
	Energy Management and GHG Emissions	GHG emissions from energy consumption	Natural	Environmental externalities – GHG emissions from operations	Environment	Negative (-)	●●●●●○○	●●●●●○○	↘
		Use of renewable energy prevents GHG emissions	Natural		Environment	Positive (+)	●●●○○○○	●●●●○○○	↗
	Water Resource Management	Process water consumption leads to water scarcity	Natural	Environmental externalities – Consumption of water in operations	Environment	Negative (-)	●●●○○○○	●●●●○○○	↘
		Use of recycled water prevents water scarcity	Natural		Environment	Positive (+)	●●○○○○○	●●○○○○○	↗
		Process wastewater discharge causes water pollution	Natural	Environmental externalities – Discharge of waste from operations	Environment	Negative (-)	●●○○○○○	●●○○○○○	↗
	Air Pollution Management	Process gas emissions cause air pollution	Natural	Environmental externalities – Air pollutant emissions from operations	Environment	Negative (-)	●●●○○○○	●●●○○○○	↘
	Waste and Circular Economy	Treatment of waste exerts environmental impact	Natural	Environmental externalities – Disposal of waste from operations	Environment	Negative (-)	●●●○○○○	●●●○○○○	↗
	Occupational Health and Safety	Occupational incidents involving employees	Human	Social externalities – Occupational incidents involving employees	Employees, Society	Negative (-)	●●●○○○○	●●○○○○○	↘
		Number of people at risk of cardiovascular diseases	Human	Social externalities – Employee health management	Employees, Society	Positive (+)	●●●○○○○	●●●○○○○	↘
	Talent Development and Training	Skills development and salary increases	Human	Social externalities – Future earnings for employees	Employees, Society	Positive (+)	●●●●●○○	●●●●●●○	↗

Cause of Impact	Sustainability Issue Managed	Output	Six Major Forms of Capital	Impact Item	Impacted Stakeholders	Impact Attribute	Impact Level		
							2023	2024	
Product and Service Applications	Customer Relationship Management	Product sales drive downstream supply-demand relationship	Social	Social externalities – Increase in industrial output value	Society	Positive (+)	●●●●●●	●●●●●●	↗
	Green Product Management	GHG emissions from use of products	Natural	Environmental externalities – Product use	Environment	Negative (-)	●●●●●○	●●●●●○	↘

Note1: The input-output model for "increase in supply chain output value" calculates the economic benefits derived from procurement activities that drive supply–demand effects in the industry chain, the associated environmental issues, the employment opportunities created therefrom, and wage income. Data sources include the Directorate-General of Budget, Accounting and Statistics - Input-Output Tables (2020), the Green National Income Accounting Report (2021), and the EXIOBASE 2 database.

Note2: The Gross Value Added (GVA) method evaluates the difference between intermediary inputs and final outputs of business operations, taking into account original inputs and public expenditures. These economic activities bring benefits to various stakeholders, including net revenue (shareholders/investors), salaries and benefits (employees), tax payments (society), R&D investment (customers), and depreciation and amortization (suppliers).

Note3: Factors that influence environmental externalities include the social cost of carbon from greenhouse gases, air pollution, wastewater, waste, and water resource consumption; the cost of human health loss; and ecosystem damage costs. Data sources include US EPA (2016) and OECD (2012).

Note4: Employee health management involves regular health checkups for early detection of hypertension, hyperlipidemia, high blood sugar, and obesity and the formulation of health management plans for effective management of cardiovascular risks in employees. Related coefficients are sourced from WHO (2008) and Chieh-Hsien Lee (2009).

Note5: Social costs from occupational incidents are calculated by taking into account the loss of productivity due to occupational injuries, compensation for occupational incidents, and the willingness to pay (WTP) for avoiding occupational incidents. The calculation methodology follows UK HSE (2017), Jiune-Jye Ho (2005), and the Institute of Labor, Occupational Safety and Health (2013).

Note6: For product and service applications, calculation is based on the impact of environmental externalities associated with product use and the indirect economic value created through the sale of our LCD display panel modules to the four major consumer electronic product industries, including televisions, monitors, laptops, smartphones, and commercial products, with consideration of the relationship between sales revenue and customers' industry output value based on supply and demand.

Note7: Given differences in economic conditions across countries, valuation coefficients were revised based on Purchasing Power Parity-measured Gross National Income (GNI) per capita and aligned to the currency value as of the year 2017. The methodology follows OECD (2012) and PwC UK (2015) guidelines.

Note8: For more information on sustainability impact methodology and valuation results, see the 2024 Innolux Sustainability Impact Measurement Valuation Report.



2

A Win-Win Situation for Corporate Governance and Integrity



- ✓ Included in the Dow Jones Sustainability World Indices (DJSI) for **8 consecutive years**
- ✓ **Independent directors account for more than half** of the Board of Directors.
- ✓ Female directors account for **22.22%** of the Board
- ✓ Annual consolidated revenue of **NT$226.7billion**
- ✓ Received a Panorays Cyber Posture Rating of **96**
- ✓ **No** material violations of laws or regulations

Management Guidelines

Material Topics	Strategy	2025 Target	2025 Result	Target met?	2026 Target	Medium- to Long-Term Goals (2030)
Information Security	Promote information security awareness among employees; prevent data leaks; enforce self-regulation; ensure service availability	Upgrade to ISO 27001:2022 and obtain certification	Completed the upgrade to ISO 27001:2022 and obtained certification	●	» Maintained certificate validity » Panorays Information Security Maturity Rating of 96	» 100% coverage rate for ISO 27001:2022 among our locations and subsidiaries » Panorays Information Security Maturity Rating of 96
					» No material information security incidents	» No material information security incidents



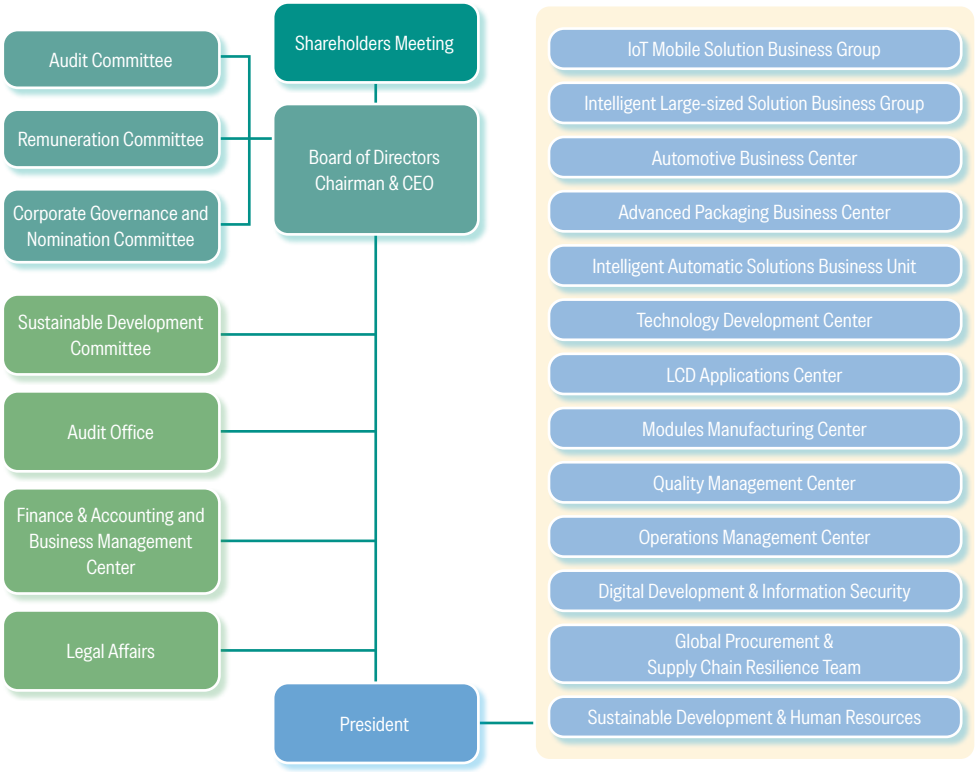


2.1 / Governing Body

GRI 2-9、2-10、2-11、2-12、2-15、2-16、2-17、2-18、2-19、2-20、405-1

In accordance with the Corporate Governance 3.0 — Sustainable Development Blueprint, the OECD Principles of Corporate Governance, the Company Act, the Securities and Exchange Act, and other applicable laws and regulations, Innolux upholds its commitment to becoming a benchmark enterprise in corporate governance. Through robust Board functions and transparent information disclosure mechanisms, the Company ensures the core rights and interests of shareholders and stakeholders.Innolux has been featured in the Dow Jones Best-in-Class World Index for eight consecutive years and ranked in the top 6–20% in the 12th Corporate Governance Evaluation for TWSE-listed companies. For more information on our corporate governance initiatives, please refer to Innolux's 2025 Annual Report.

Corporate governance structure



The Board of Directors exercises its duties and authority in accordance with all applicable laws and regulations, the Company's Articles of Incorporation, and resolutions of the shareholders' meeting, with a commitment to maximizing shareholder value. By guiding corporate strategy and supervising the management team, the Board ensures accountability to the Company and its shareholders. Innolux has established the Rules and Procedures for Meetings of the Board of Directors, which clearly define a recusal system for conflicts of interest. Directors with a personal interest in a proposal are required by law to recuse themselves and not participate in voting, thereby protecting the interests of the Company and ensuring responsible governance.

On May 7, 2025, Innolux completed a full re-election of directors, who assumed office on the same day. Following the re-election, the Board convened four meetings, with an in-person attendance rate of 90.7% across all directors. Several major resolutions were adopted during these meetings, including but not limited to the review of the ESG Report, the formulation of the Plan to Enhance Corporate Value, and proposals on managerial remuneration. For further details, please refer to page 30 of the Company's 2025 Annual Report and the Innolux website.

Rules and Procedures for Meetings of the Board of Directors

Board of Directors meeting attendance record

Title	Name	Number of meetings		Attendance rate	Remarks
		Attendance required	Attended		
Chairman	Jin-Yang Hung	6	6	100%	Re-elected
Corporate Directors	Innolux Education Foundation Representative: Chu-Hsiang Yang	4	4	100%	Newly elected
Director	Hung-Wen Yang	4	4	100%	Newly elected
Director	Chi-Chia Hsieh	6	5	83.3%	Re-elected
Independent Director	Yong-Fen Hsieh	4	3	75%	Newly elected
Independent Director	Chih-I Wu	6	6	100%	Re-elected
Independent Director	Chih-Wei Wu	6	3	50%	Re-elected
Independent Director	Hsin-Bei Shen	6	6	100%	Re-elected
Independent Director	Feng-Kan Chang	4	4	100%	Newly elected
Director	Chu-Hsiang Yang	2	2	100%	Term Expired
Director	Jyh-Chau Wang	2	2	100%	Term Expired
Director	Chin-Lung Ting	2	2	100%	Term Expired
Independent Director	Chi-Mo Huang	2	2	100%	Term Expired

Nominations and Appointments

Innolux's Articles of Incorporation stipulate that directors (including independent directors) be appointed through a candidate nomination system. The professional qualifications, shareholding, concurrent service restrictions, and nomination and appointment procedures for independent director candidates are subject to the Company Act, the Securities and Exchange Act, and other applicable laws and regulations. The current Board of Directors was appointed on June 24, 2022 for a 3-year term and consists entirely of natural persons, in keeping with trends in corporate governance. It is worth noting that 55.56% of the board members are independent directors, a ratio that is in compliance with the standards proposed in the Corporate Governance 3.0- Sustainable Development Blueprint, demonstrating a high level of governance independence.

Innolux Corporation Election Rules of Directors

Diversity and Independence

To enhance corporate governance and develop a robust Board structure, Article 20, Paragraph 3 of Innolux's Corporate Governance Principles outlines the following policy on diversity: The composition of the Board of Directors shall be determined with diversity taken into consideration. It is advisable that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include the two following general standards:

1. Basic requirements and values: Gender, age, nationality and culture (including race, ethnicity, etc.)
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, and/or technology), professional skills, and industry experience.

Innolux's Corporate Governance Principles

The current Board of Directors is composed of 9 members, including 4 non-independent directors and 5 independent directors, whose qualifications are consistent with the Company's operational needs and Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act. All directors possess expertise in finance, business, industry, and/or international trade, as well as capabilities in leadership, business operations, administration, and/or crisis management (including risk management).

In terms of diversity, directors concurrently serving as employees account for 22.22% of the board, while independent directors and female directors account for 55.56% and 22.22% of the Board respectively. Two independent directors have served on the board for less than three years, whereas three independent directors has served for 4~9 years. The age distribution of the board members is as follows: one director aged 40–49 years, four aged 50-59, three aged 60~69, and one aged 80~89. This diverse composition of the Board members across age, gender, roles, and professional backgrounds ensures the company's governance efficiency and the quality of decision-making.

Members of the 10th Board of Directors

Position	Name	Gender	Innolux employee	Years of service as independent director		Functional committee			Professional knowledge and expertise [Note 1]									Age (years)				Number of companies for which concurrently serving as an independent director [Note 2]
				<3	3-9	Audit Committee	Remuneration Committee	Leadership/ decision-making	Operations	Business management	Industry knowledge	Finance / accounting	Crisis management	Business Economics	Global markets	Sustainability management	Audit Committee	40-49	50-59	60-69	80-89	
Chairman	Jin-Yang (Jim) Hung	M	V						V	V	V	V	V	V	V	V			V			0
Director	Chu-Hsiang Yang [Note3]	M							V	V	V	V	V	V	V	V			V			0
	Hung-Wen Yang	M	V						V	V	V	V	V	V	V	V			V			0
	Chi-Chia Hsieh	M							V	V	V	V	V	V	V	V					V	0

Position	Name	Gender	Innolux employee	Years of service as independent director		Functional committee			Professional knowledge and expertise [Note 1]									Age (years)				Number of companies for which concurrently serving as an independent director [Note 2]
				<3	3-9	Audit Committee	Remuneration Committee	Leadership/ decision-making	Operations	Business management	Industry knowledge	Finance / accounting	Crisis management	Business Economics	Global markets	Sustainability management	Audit Committee	40-49	50-59	60-69	80-89	
Independent Director	Yong-Fen Hsieh	F		V		V	V Convener		V	V	V	V	V	V	V	V				V		1
	Chih-I Wu	M			V	V Convener		V Convener	V	V		V	V	V	V	V			V			0
	Chih-Wei Wu	M			V	V	V		V	V	V	V	V	V	V	V				V		0
	Shin-Bei Shen	F			V	V		V	V	V	V		V	V	V	V	V	V				2
	Feng-Kan Chang	M		V		V	V		V	V	V	V	V	V	V	V				V		1

Note1: Please refer to page 22 of the 2025 Innolux Annual Report or visit our official website for more details on the professional competencies and industry experience of our board members.

Note2: Pursuant to the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, independent directors may not serve in the same capacity at more than three other public companies. All our current independent directors are in compliance with this regulation.

Note3: Resigned on May 16, 2026; succeeded by Jyh-Chau Wang.

Board of Directors Performance Evaluation

To ensure the effectiveness of Board operations, the Board of Directors approved the Rules for Evaluating the Performance of the Board of Directors and Functional Committees in 2019. Internal evaluations are conducted annually, and external evaluations by professional organizations are commissioned at least once every three years. The evaluations cover aspects such as participation in Company operations, decision-making quality, Board composition and structure, director selection and continuing education, and internal control.

The external third-party evaluations are conducted by the Taiwan Institute of Ethical Business. The most recent evaluation recognized that independent directors account for 55.56% of the Board, exceeding the standard set out in the Corporate Governance 3.0—Sustainable Development Blueprint. It also recommended that gender diversity be further considered in future director re-elections and that the Company should evaluate the need to establish a Risk Management Committee. Innolux will continue to promote Board diversity and assess the establishment of additional committees to further enhance governance effectiveness.

Innolux Corporation Rules for Evaluating Board of Directors and Functional Committee Performance

Enhancement of Professional Competencies

To strengthen overall corporate governance and enhance the Board's strategic insight and decision-making on key issues, Innolux conducts annual continuing education programs. These programs are designed to keep board members up to date with international sustainability trends while advancing their professional expertise, industry knowledge, and risk management capabilities.

The training covers a wide range of topics, including corporate governance, internal control, risk management, compliance with financial and tax regulations, operational strategies, digital transformation, artificial intelligence applications, climate change, carbon management, sustainable supply chains, occupational health and safety, and diversity, equity, and inclusion (DEI). These topics are aligned with the company's operations and support its sustainable development strategy.

As disclosed in the 2025 Innolux Annual Report, the directors received an average of 7.67 hours of training in 2025.

Please refer to page 70 of the 2025 Innolux Annual Report for information on continuing education for board members.

2.1.2 Structure and Operations of Functional Committees

To complement the Board of Directors, Innolux has established functional committees under the board, such as the Remuneration Committee, Audit Committee, and Corporate Governance and Nomination Committee, to exercise the duties and powers stipulated in Innolux's Articles of Incorporation, the Company's shareholder resolutions, and the applicable laws and regulations. All functional committees are composed of independent directors to ensure effective oversight of company operations, enhance Board functions, advance stakeholders' interests and corporate value, and ensure the independence, professionalism, and objectivity of committee decisions and proposals.

Audit Committee

In July 2016, Innolux established the Audit Committee to exercise legally mandated duties and powers stipulated in the Securities Exchange Act, the Company Act, and other applicable laws and regulations. The Audit Committee is responsible for assisting the Board of Directors in overseeing and strengthening internal control mechanisms, ensuring adequate disclosure of financial statements, handling the appointment, dismissal, and remuneration of CPAs, and seeing to the effective implementation of internal control, regulatory compliance, and current and potential risk management.

Innolux Corporation Audit Committee Charter

Pursuant to the requirements of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, the Audit Committee is composed exclusively of independent directors serving 3-year terms. Independent director Chi-Chia Hsieh is the current convenor, elected by fellow members. The Audit Committee convenes at least once per quarter. In 2024, 5 committee meetings were held with an average attendance rate of 84%. Please refer to the Market Observation Post System (MOPS) or page 35 of the 2025 Innolux Annual Report for more information on the Audit Committee's operations.

Member	Number of meetings		Attendance rate	Remarks
	Attendance required	Attended		
Chih-I Wu (Convener)	5	5	100%	Newly elected
Chih-Wei Wu	5	2	40%	Newly elected
Shin-Bei Shen	5	5	100%	Newly elected
Yong-Fen Hsieh	4	3	75%	Re-elected
Feng-Kan Chang	4	4	100%	Re-elected
Chi-Mo Huang	1	1	100%	Term Expired
Chi-Chia Hsieh	1	1	100%	Term Expired

Remuneration Committee

In August 2011, Innolux established the Remuneration Committee, which is responsible for regularly reviewing its organizational charter, setting and reviewing performance criteria and annual/long-term goals for directors and executives, as well as policies, systems, standards, and structures related to remuneration and compensation.

In accordance with the Remuneration Committee Organizational Charter, the Board of Directors appoints three independent directors to serve as committee members. The convenor is elected by all members, and the current convenor is Independent Director Chi-Chia Hsieh. The Committee is required to meet at least twice a year and convened four times in 2025, with an average attendance rate of approximately 83%. Please refer to MOPS or pages 49 of the 2025 Annual Report for details.

Innolux Corporation Remuneration Committee Charter

Member	Number of meetings		Attendance rate	Remarks
	Attendance required	Attended		
Yong-Fen Hsieh (Convener)	3	3	100%	Newly elected
Chih-Wei Wu	4	2	50%	Re-elected
Feng-Kan Chang	3	3	100%	Newly elected
Chi-Chia Hsieh	1	1	100%	Term Expired
Chi-Mo Huang	1	1	100%	Term Expired

Corporate Governance and Nomination Committee

To respond to international trends in sustainable governance and strengthen its corporate governance framework, Innolux established the Corporate Governance and Nomination Committee in 2025. The Committee is responsible for enhancing director nomination policies and governance mechanisms, further promoting diversity, professionalism, and independence within the Board. The establishment of the Committee helps strengthen governance effectiveness. Innolux will disclose relevant information on a rolling basis as the Committee's operations progress, promoting transparency and fulfilling its corporate responsibilities.

Innolux Corporate Governance and Nomination Committee Charter

The Committee is convened by Independent Director Chih-I Wu. In 2025, the Committee held two meetings, with an in-person attendance rate of 100% among all members. For details on the operations of the Corporate Governance and Nomination Committee, please refer to the Market Observation Post System or pages 50–51 of the Company's 2025 Annual Report.

Member	Number of meetings		Attendance rate	Remarks
	Attendance required	Attended		
Chih-Wei Wu (Convener)	2	2	100%	Re-elected
Jin-Yang Hung	2	2	100%	Re-elected
Shin-Bei Shen	2	2	100%	Re-elected

2.1.3 Internal Audits

To promote sound operations, Innolux has established an internal control system and set up the Audit Office, a dedicated unit that reports directly to the Board of Directors. The Audit Office is staffed with an adequate number of qualified full-time auditors, who participate in annual continuing professional education to maintain audit quality and capabilities. The system is designed to provide reasonable assurance that the Company continues to effectively achieve the following objectives: operational effectiveness and efficiency, including profitability, performance, and asset security; the reliability and transparency of reporting; and compliance with all applicable laws and regulations.

The Audit Office is responsible for the following tasks to ensure the effectiveness and integrity of internal control mechanisms:

Internal audits

The Audit Office conducts on-site inspections and document reviews in accordance with the audit plan approved by the Board of Directors to ensure legal compliance, process design soundness, system conformity, financial reporting accuracy, and operational efficiency. The office provides timely recommendations to relevant departments, supporting the Board and management in reasonably ensuring the consistent and effective implementation of internal control mechanisms. Audit results are regularly reported to both the Audit Committee and the Board of Directors.

Self-evaluations

To strengthen the company's internal oversight mechanism, all departments are required to conduct annual self-assessments of their internal control systems. These self-assessment reports are reviewed by the Audit Office, which also tracks the improvement of identified deficiencies and irregularities. The findings serve as a basis for the Board of Directors and the President in evaluating the effectiveness of the overall internal control system and in issuing the internal control statement.

2.1.4 Senior Executive Remuneration and Sustainability-Linked Performance

The remuneration of Innolux's senior executives is determined in accordance with the Managerial Officers Remuneration Regulations and the Remuneration Committee Charter. The remuneration structure takes the company's operational performance and individual responsibilities and performance into account while incorporating economic, environmental, and social (ESG) achievement. The Remuneration Committee also examines industry trends, business risks, and the standard remuneration for comparable positions in the industry. Remuneration proposals are reviewed by the Remuneration Committee prior to submission to the Board of Directors for final approval. Performance evaluations include both financial and non-financial indicators. The financial aspect encompasses key performance indicators such as annual revenue and earnings per share (EPS). The non-financial aspect covers the three main ESG pillars—environmental, social, and governance results—such as carbon emissions management, sustainable supply chains, occupational health and safety, and governance effectiveness. These indicators are closely aligned with the company's business strategy.

ESG performance is evaluated with reference to international sustainability indices such as the Dow Jones Sustainability Index (DJSI), along with domestic and international sustainability awards. These factors are incorporated into remuneration assessments, with ESG-related indicators accounting for up to 5% of total compensation. This reinforces the alignment between corporate governance and the company's sustainability objectives.

In addition, we established a stock dividend trust system for senior executives in 2019. Executives are subject to a shareholding trust mechanism, with additional incentives granted through a vesting arrangement of more than three years, thereby linking their long-term performance with shareholder interests. This system effectively links the company's long-term performance with shareholder interests, further enhancing our commitment to sustainable operations.

Note: Please refer to page 29 of the 2025Innolux Annual Report for details on the weighting of ESG performance (0–5%) in senior executives' remuneration structure.

2.2 / Risk Management

GRI 2-23、2-24、2-25、203-2、403-7

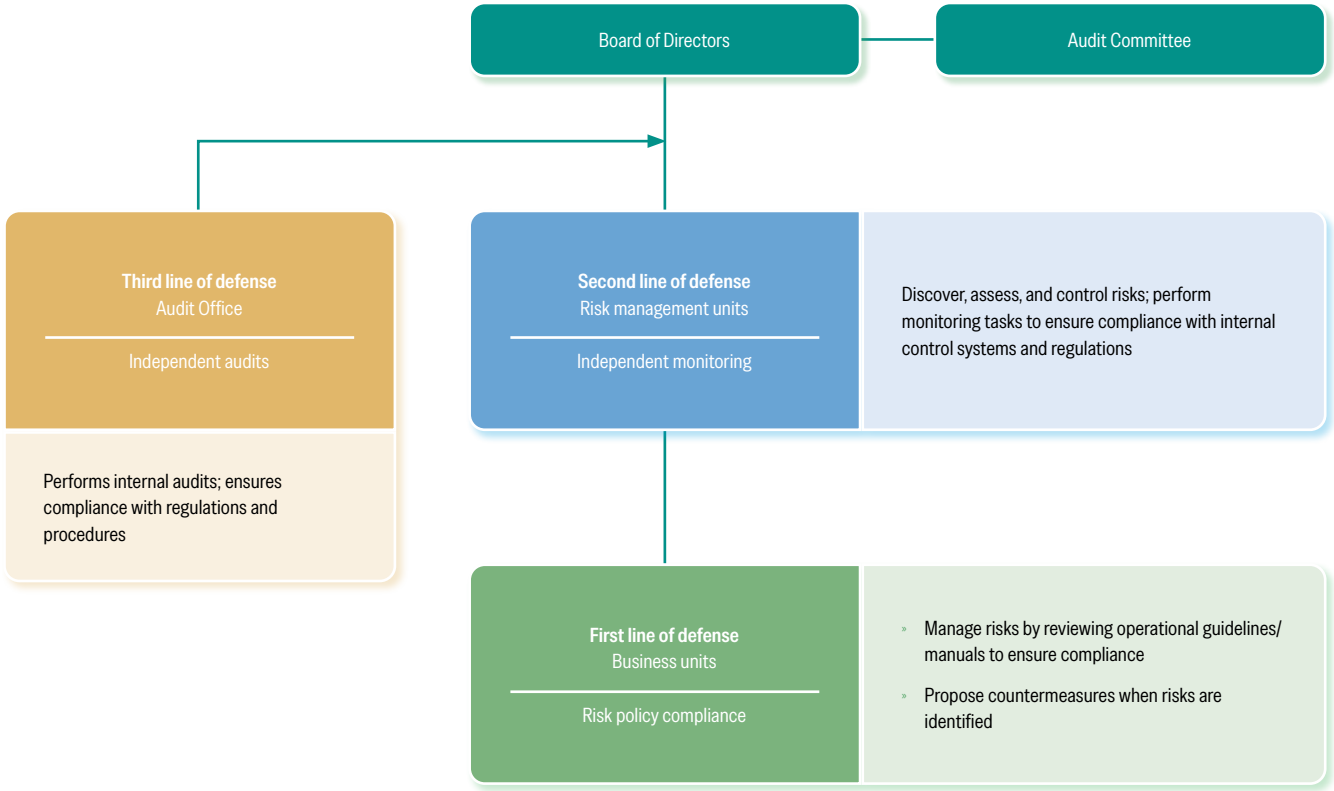
In response to an increasingly complex business environment characterized by an evolving global economic landscape, worsening geopolitical conflicts, and intensifying extreme weather events, risk management is the key to ensuring business continuity and sustainability. Guided by the principles of sustainable operations, we have implemented systemic risk management mechanisms to ensure timely identification and evaluation of and response to various risks, strengthening our organizational resilience and competitive edge.

Risk Governance and Mitigation Mechanisms

Innolux's Board of Directors, the highest risk management authority of the Company, is responsible for reviewing and approving risk management policies and major decisions in accordance with overall operational guidelines and external changes. To proactively address potential risks, our business units are responsible for identifying and managing risk factors relevant to their operations, and for regularly reporting risk status and corresponding mitigation measures. To support enterprise-wide risk mitigation efforts, the risk management unit monitors overall corporate risk and provides control and management solutions through systematic assessment, monitoring, and reporting mechanisms. The Audit Office oversees the implementation of these risk management processes and reports regularly to the Audit Committee and the Board of Directors, ensuring transparency and continuous improvement in risk governance.

To strengthen our risk governance structure, we have adopted the widely recognized COSO Enterprise Risk Management (ERM) framework and implemented a Three Lines of Defense model to implement risk identification, monitoring, and mitigation. In doing so, we aim to enhance operational resilience and improve the overall effectiveness of corporate governance.

Innolux's Risk Governance Architecture



2.2.1 Risk Management Policy and Procedures

Pursuant to the Risk Management Policy and Procedures adopted by the Board of Directors in 2022, Innolux has developed a comprehensive risk management mechanism to ensure sustainable business operations in the fast-changing market enviroment. Based on the Company's operational guidelines, we have formulated a five-step process that includes identification, evaluation, monitoring, disclosure, and response in order to determine the scope of each risk category and take the necessary action to reduce potential losses.

The Company continues to optimize its risk management mechanisms by dynamically adjusting strategies and monitoring systems to strengthen control and oversight of key risk factors across strategic, operational, financial, climate-related, and environmental areas. Through the implementation of risk appetite evaluation, enhanced internal controls, and a forward-looking early warning system, Innolux fosters a resilient risk culture. This approach integrates risk awareness into our corporate decision-making processes, thereby enhancing overall organizational resilience and responsiveness.

Innolux's Risk Management Processes

step 01 Risk Scope Identification

Conduct operations-related ESG risk identification based on the materiality principle

step 02 Risk Assessment

- Identify risk factors
- Formulate appropriate assessment methods
- Formulate procedures and framework for determining risk appetite

step 03 Risk Monitoring

- Monitor business-related risks
- Propose response measures

step 04 Risk Disclosure

Report risk management status on a regular basis

step 05 Risk Response

Take the necessary measures to address risks

2.2.2 Risk Identification and Management

In response to global economic shifts, supply chain challenges, rising regulatory requirements, and the impacts of extreme climate events, Innolux has integrated sustainable management strategies with material topics and established a comprehensive risk identification and management mechanism referencing the Global Risks Report published by the World Economic Forum (WEF) and the risk report issued by Allianz SE. The mechanism covers strategic risks, operational risks, financial risks, and climate- and disaster-related risks. To strengthen forward-looking risk management, Innolux has focused not only on key risks affecting current operations, but also identified emerging risks that may have a significant impact on the Company over the next one to five years.

Through its internal Enterprise Risk Management (ERM) mechanism, the Company combines market trends with internal and external professional insights to assist department heads in identifying potential risks. Qualitative and quantitative assessments of risks are conducted based on frequency of occurrence, level of impact, management control capabilities, and the Company's risk appetite. Relevant departments formulate response measures for each type of risk, continuously monitor developments, and regularly review the effectiveness of strategies to ensure effective corporate governance and operational resilience.

Risk Management Enhancement Measures

Areas	Actionable Measures
Risk governance structure	Enhance inter-departmental collaboration mechanisms and strengthen the institutionalization and execution of risk identification, assessment, and response strategies to ensure that risk management is comprehensive and effectively implemented.
Risk management capability	Improve the risk identification and response capabilities of supervisors and department heads. In accordance with the IFRS Sustainability Disclosure Standards, establish a risk management task force composed of the audit, finance, operations, legal, and information security departments. Invite external consultants to provide training focused on cross-departmental initiatives for operational and strategic risks, thereby strengthening risk management capabilities and fostering a stronger risk culture.
Dynamic monitoring of risk trends	With reference to GRI, COSO, and other risk management standards, introduce data monitoring and external analysis mechanisms to track the evolution of potential risk scenarios and improve the foresight and effectiveness of ESG risk management.
Supply chain and operational resilience	Strengthen supply chain management and emergency response standard operating procedures to reduce the risks of raw material supply disruptions and unexpected operational interruptions, while enhancing emergency response and extreme event handling capabilities.
Risk identification and performance management	Establish a risk incident reporting and review system, continuously optimize risk response plans, and integrate internal controls and management audits to ensure that the effectiveness of risk responses is traceable and practical.

2025 Risk Factors and Mitigation Strategies

Innolux recognizes that risks do not exist in isolation. For example, shifts in global geopolitics, a strategic risk, not only directly affect our supply chain resilience, an operational risk, but may also influence the Company's cost of capital through fluctuating exchange rates and interest rates, a financial risk. Accordingly, our management approach emphasizes cross-departmental collaboration and a systematic mindset to address these interconnected challenges.

Strategic Risks

Risk Factor	Emerging risks	Description	Potential Impacts	Mitigation Strategies
 Investment risk arising from geopolitical conflicts	●	Intensifying competition between the U.S. and China, heightened cross-strait tensions, and growing uncertainties in global political, economic, and policy environments along with deepening trade barriers and geopolitical risks have presented significant challenges to corporate marketing strategies and long-term competitiveness.	Geopolitical tensions and policy changes have increased market uncertainty, affecting corporate strategic planning, investment returns, and global competitiveness. The expansion of international trade barriers and the accelerating trend toward industrial de-risking have intensified pressures for supply chain restructuring, contributing to operational volatility, long-term financial risks, and potential fluctuations in investment portfolio value due to market instability.	» In 2025, we continuously monitored changes in global political, economic, and trade policies and adjusted investment strategies and supply chain planning through diversifying market deployment to mitigate over-concentration of risk in certain regions, thus strengthening our operational resilience. » We increased the depth of supply chain integration by optimizing raw material procurement and logistics coordination and enhancing industrial cluster collaboration to reduce the impact of policy changes on operational costs and delivery stability. » We are continuing with digital transformation by adopting real-time risk monitoring mechanisms, thus improving decision-making efficiency and supply chain flexibility to address geopolitical and market uncertainties.
 Intensifying Market Competition and Fundamental Changes in the Competitive Landscape		As Chinese manufacturers continue to increase their share of production capacity to secure a dominant market position, their strategy has shifted from winning orders through low prices to steering price trends through production cuts and capacity control, with the aim of influencing the global supply-demand balance. While this oligopoly-driven market structure has contributed to price stability, it has also narrowed the margin for other manufacturers to survive.	» Loss of market pricing power may force the Company to become a price taker, leading to continued deterioration in profitability. » Loss of market share and customer base may push the Company from being a mainstream supplier to a supplementary, peripheral player in the industry.	» Innolux has strategically positioned itself as "more than just a panel company." Through the two pillars of dual-track transformation and asset revitalization, the Company is building resilience to navigate industry cycles. » In its core panel business, Innolux refuses to be drawn into red-ocean price competition. Instead, it leverages its deep R&D capabilities to focus on next-generation display technologies such as Mini LED and Micro LED, targeting high-value niche markets to maintain market share in high-margin products. » In non-panel domains, Innolux is transforming legacy production lines into incubation bases for new technologies, reducing the impact of panel industry cycles on revenue. By leveraging the advantages of existing plant facilities and equipment, the Company is able to offer a competitive cost structure and create a second growth curve for the Group's long-term development.
 Ethical Risks Associated with AI	●	As AI technologies are increasingly applied to manufacturing, decision-making, and automation processes, ethical risks such as data privacy concerns, lack of transparency, and algorithmic bias have begun to emerge, posing challenges to corporate reputation and regulatory compliance.	» Trust and reputational risk: Biased AI decisions or data privacy controversies may reduce customer and public trust in the company. » Regulatory and compliance risk: Failure to ensure AI technologies are in compliance with data protection regulations (e.g., GDPR) and fair competition laws may expose the company to regulatory fines or legal action. » Decision-making quality risk: Inadequately validated algorithms may result in flawed decisions, affecting business operations and competitiveness.	» Ensuring AI transparency and accountability: We incorporate fairness testing and data bias detection during the AI design phase to ensure transparency in decision-making processes. » Enhancing AI compliance oversight: We conduct regular reviews to ensure AI systems comply with global data privacy and fair competition regulations, minimizing legal risks. » Promoting AI ethics awareness: We have established internal AI risk management guidelines and strengthened employee awareness and capabilities to address ethical challenges related to AI.

Operational Risks

SASB TC-HW-440a.1

Risk Factor	Emerging risks	Description	Potential Impacts	Mitigation Strategies
Geopolitical and trade policy changes impact global supply chain deployment		Countries' adoption of protectionist measures, such as tariff policies and export restrictions, together with political tensions across the Taiwan Strait, Asia-Pacific, North America, and Russia-Ukraine, as well as China's rare earth export controls, may lead to trade disruptions, tariff barriers, changes in customer demand, obstacles to technological innovation, and uncertainty in operations and investment. These developments may affect production deployment or increase foreign exchange losses and tariff expenses.	» Suppliers affected by tariff policies may need to restructure or redirect supply flows, and may pass the related tariff costs on to the Company. » Supply chain rerouting significantly increases transportation time and costs, affecting delivery schedules and operating costs. » Customer concerns about delivery stability may impact order volumes. » Policy changes may increase compliance and supply chain management costs, further affecting financial performance.	» In 2025, we continuously monitored global policy and market developments, adjusted our supply chain strategies to diversify raw material sources, and reduced reliance on any single market. » We have increased supply chain integration with a focus on production sites in Taiwan and mainland China and promoted local sourcing and optimized logistics coordination to reduce costs and mitigate disruption risks, while supporting sustainability goals. » The Company is promoting digital transformation by implementing real-time risk monitoring and integrated procurement platforms to enhance transparency and risk control, enabling flexible responses to changing operating environments.
Talent Shortages Amid Dual-Track Industrial Transformation	●	As the global technology industry continues to evolve, demand for highly skilled talent in semiconductors, display technologies, AI, and related fields has increased, intensifying competition in the talent market. As Innolux advances its organizational transformation and upgrading, its reliance on specialized talent has grown. The Company faces an increasingly pronounced supply-demand imbalance, with rising pressure for talent recruitment and retention, which may affect business transformation and competitiveness.	» Insufficient supply of technical talent may affect the Company's transformation progress and competitiveness. » Increased talent mobility may affect organizational stability and knowledge transfer. » Rising recruitment and retention costs may increase operational burdens.	» Innolux has established the Semiconductor Academy to deepen technical talent development and support transformation. » The Company has optimized compensation and reward mechanisms to improve talent retention and enhance organizational stability. » Innolux continues to expand international recruitment, deepen campus cultivation programs, and collaborate with academic institutions to connect with new talent, improve retention, and strengthen the talent supply chain. » For details, please refer to 4.1 Talent Recruitment and Retention and 4.2 Talent Cultivation and Development.
Elevated cybersecurity risks amid digital transformation and widespread AI adoption		Rapid digital transformation and widespread AI adoption have increased the value of corporate data assets, heightening cybersecurity risks. The growing frequency of cyberattacks, data breaches, and ransomware incidents poses a serious threat to business operations and corporate reputation.	» Cybersecurity vulnerabilities could result in leaks of confidential company and customer data, damaging brand reputation and customer trust. » Malware attacks could paralyze company systems, disrupt operations, and incur additional system recovery costs.	» In 2025, we continued to strengthen our cybersecurity defenses through AI-driven security mechanisms to enhance anomaly detection and incident response capabilities. » Participating in domestic and international cybersecurity alliances allows us to exchange threat intelligence on a regular basis, bolstering the foresights of defense. Participating in domestic and enhancing forward-looking defense capability. » We conduct routine cybersecurity drills to improve automated alert systems and response protocols and reinforce cybersecurity resilience and the protection of data and business operations. » See 2.2.4 Information Security Management
Asset and business interruption risk		Natural disasters, force majeure, or accidents (such as earthquakes, typhoons, or fires) pose potential risks to company assets, including plants, equipment, and inventory, disrupting production and business operations.	» Major disasters may result in production halts, affecting delivery timelines and revenue. » Damage to facilities or equipment may cause additional repair or reconstruction costs, increasing the Company's financial burden.	» We leverage insurance mechanisms to transfer risk, including the purchase of property insurance and business interruption coverage to mitigate financial losses. » We have established a Business Continuity Plan (BCP) to ensure swift recovery of operations in the event of disasters and minimize impacts on the supply chain.

Financial Risks

Risk Factors	Emerging risks	Description	Potential Impacts	Mitigation Strategies
 Foreign exchange risk management and financial stability		Amid increasing global economic and political volatility, fluctuations in major currencies such as the U.S. dollar and Japanese yen pose risks for revenue, capital expenditure, and production costs. Unstable interest rate policies may further increase financing costs, affecting financial stability and operational flexibility.	» Currency fluctuations impact revenue and cost structures, causing volatility in financial statements and affecting profitability and market confidence. » Rising interest rates may increase financing costs, heightening liquidity pressure and limiting investment and operational agility.	» In 2025, our finance unit closely monitored major currency exchange rate and interest rate trends, proactively deploying hedging tools (e.g., forward exchange, currency swaps) to stabilize cash flow and reduce financial volatility. » Regularly reviews of capital strategies help us optimize resource allocation and ensure financial health to support operations and investment, while enhancing resilience to market changes.
 Credit risk and accounts receivable management		Global economic fluctuations and financial market instability may affect customers' financial health, increasing the risk of accounts receivable collection. A decline in customers' payment capacity could impact the Company's cash flow and compromise operational stability.	» Deteriorating customer finance may result in delayed collection or bad debts, straining cash flow and operational continuity. » Tightening credit markets increase pressure on cash management, potentially restraining business operations and expansion plans	» In 2025, we continued to strengthen credit evaluation and receivables management by regularly assessing customer credit profiles and adjusting credit terms to mitigate collection risks. » By establishing early-warning mechanisms and integrating collection procedures, we ensure timely cash recovery and maintain stable cash flow. » Diversifying our customer base reduces company exposure to financial issues from any single client and enhances liquidity security and operational flexibility.
 Liquidity risk and capital management		Rapid shifts in the global economy, unexpected financial events, or tightening markets may disrupt capital flows, impact operational liquidity, increase short-term funding pressures, and pose risks to business continuity.	» Insufficient liquidity may affect day-to-day operations and investment execution, potentially impacting corporate credit and market confidence. » Financial market volatility may increase borrowing costs, weakening capital structures and financial resilience.	» In 2025, we continued to strengthen liquidity and cash flow management by leveraging diversified financing sources to ensure sufficient operating capital and reduce the risk of funding shortages. » Regularly assessing cash positions and funding strategies to reinforce cash reserves enables agile responses to market shifts, ensuring operational continuity and financial stability.
 Investment management and financial stability		Innolux's core business and its reinvestments are concentrated in similar sectors and geographic regions, making them susceptible to global political and economic fluctuations, supply chain restructuring, inflation, and rising interest rates. This concentration heightens the risk of return volatility and may impact the Company's financial stability and long-term competitiveness.	» Growing global uncertainty increases fluctuations in investment performance, raising portfolio risk and reducing capital efficiency. » Misalignment between investments and corporate strategy may reduce competitiveness and hinder financial performance and long-term development.	» In 2025, we continuously reviewed our portfolio composition and strategic alignments to strengthen investment risk controls and ensure that capital deployment aligns with financial objectives. » By adjusting or exiting high-risk or underperforming investments, we improve the return on investment and reinforce financial health. » We are increasing investment diversification to reduce the impact of sector or regional volatility on overall financial performance and increase capital allocation flexibility.

Climate Change and Environment Risks

In keeping with the Task Force on Climate-related Financial Disclosures (TCFD) framework and guided by the Global Risks Report published by the World Economic Forum (WEF), Innolux conducts an annual, systematic identification and assessment of risks across the operational, financial, climate-related, and environmental dimensions. Both qualitative and quantitative analyses are employed to formulate response measures, ensuring a comprehensive and effective risk management approach.

Climate-related risks are assessed according to the four core pillars of the TCFD framework: Governance, Strategy, Risk Management, and Metrics and Targets. The outcomes of this assessment are disclosed in Chapter 5 of this report, Environmental Risk Management Strategies.

The table below consolidates key physical, transformation, and environmental risks associated with climate change. It also provides illustrative cases to highlight potential impacts on Innolux's operations, while outlining our corresponding mitigation measures.

Risk Factors	Emerging risks	Description	Potential Impacts	Mitigation Strategies
Operational disruption due to natural disasters		Extreme weather events such as heavy rainfall, flooding, and typhoons may cause damage to corporate assets, business disruptions, and injuries or fatalities during employee commutes. Persistent high temperatures or prolonged heatwaves may reduce employee productivity or attendance, increase the incidence of heat-related conditions, and affect operational performance and employee safety. In the event of rising sea levels, corporate assets located in low-lying areas may be exposed to erosion and damage	» Major disasters may cause production line shutdowns and delivery delays, affecting customer satisfaction and revenue. » Damage to plants and equipment may result in high repair or reconstruction costs, increasing the financial burden. » Adverse weather may affect employee attendance and safety, potentially reducing productivity.	» In 2025, we continued to implement the Business Continuity Plan (BCP), with regular reviews of disaster response mechanisms to ensure rapid recovery and minimize operational disruptions. » We transfer risk through property insurance, with periodic reviews of coverage and limits to ensure sufficient post-disaster resources for operational recovery.
Water shortage risk		Due to the effects of climate change, extreme weather events have increased in frequency. In recent years, Taiwan has faced recurring droughts, complicating water allocation and potentially affecting the process water supply, factory operations, and supply chain stability.	» Insufficient process water supply may disrupt production schedules and deliveries, potentially causing supply chain interruptions and customer attrition. » Long-term water shortages may raise operational costs and challenge sustainable business development.	» In line with the Directives for Water Supply Redundancy during Droughts, in 2025, we continued to implement four major strategies: resource development, conservation, allocation, and backup to improve water resilience. » We have actively adopted reclaimed water use and enhanced our water-saving and recycling capabilities. Coordinating water dispatch among facilities stabilizes supply and mitigates water shortage impacts. » By strengthening infrastructure, we increase water storage capacity and external sourcing flexibility, ensuring stable production operations.
Renewable energy installation risk		Due to the government policy mandating that energy-heavy industries increase their investment in green energy, the Company is required to establish a designated percentage of renewable energy capacity. Improper construction management or regulatory non-compliance could pose safety issues, affect operations, and damage corporate reputation.	» Non-compliant installations may pose safety hazards, disrupting operations and financial stability. » Insufficient roof load-bearing capacity may result in facility damage or safety risks, impacting corporate image.	» In 2025, we continued to follow the Company's Solar Power Equipment Installation Guidelines, reinforcing site assessments and safety inspections to ensure installations meet both government and industry standards. » We have improved pre-connection inspections and emergency drills to reduce operational risks in renewable energy systems and ensure a stable, safe power supply. » We provide professional training to improve staff proficiency in the operation and maintenance of renewable energy facilities and ensure operation efficiency.
Natural resource and biodiversity risk	●	Manufacturing processes involve the use of natural resources, and poor resource management may result in depletion and ecological degradation, undermining environmental sustainability and corporate operational stability. With tightening global environmental regulations, companies must actively address natural resource conservation and biodiversity to mitigate reputational and compliance risks.	» Over extraction of resources or ecological harm may threaten raw material availability, increasing costs and destabilizing the supply chain. » Biodiversity loss or environmental disputes may increase regulatory pressure and reputational risks, jeopardizing sustainable operations.	» In 2025, we continued to implement the Biodiversity and Zero Deforestation Policy and Sustainable Water Stewardship Policy to improve resource use and strengthen our ecological protection. » We conduct supply chain impact assessments to evaluate the effect of raw material sourcing on ecosystems and strengthen resource sustainability strategies. » The Company has established key environmental indicators (energy, water, waste) and collaborates with external parties to promote ecological restoration and biodiversity conservation, improving overall environmental performance. » See 5.1 Environmental Governance

Material Topics and Risk Management

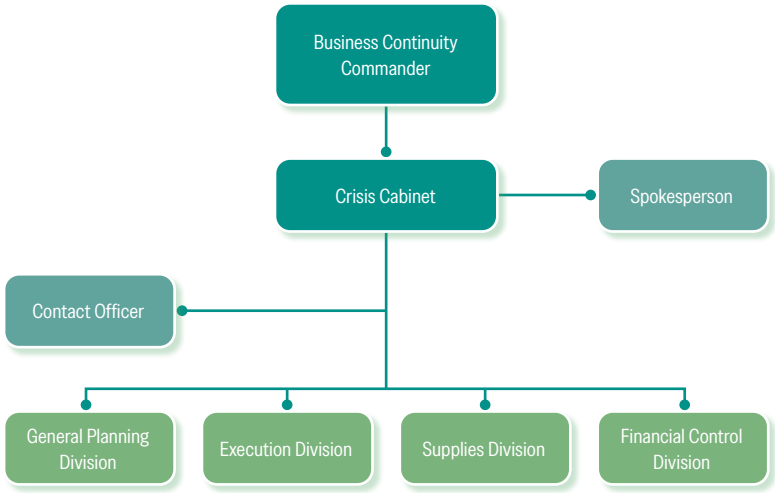
Risk Factors		Corresponding Material Topics	Issue Areas
Strategic risks	Investment risk rising from geopolitical conflicts	Supply chain management	Governance
	Economic cycles and shifting customer demand	Innovation and R&D	Governance
	Ethical risks associated with AI	Managed under GRI general disclosures	-
Operational risks	Geopolitical and trade policy changes impacting global supply chain	Supply chain management	Governance
	Talent shortage caused by technological transformation and intensifying market competition	Talent recruitment and retention	Social
	Elevated cybersecurity risks amid digital transformation and widespread AI adoption	Information security	Governance
	Risks of asset and business interruption	Supply chain management	Governance
Financial risks	Foreign exchange risk management and financial stability	Managed under GRI general disclosures	-
	Credit risk and accounts receivable management	Managed under GRI general disclosures	-
	Liquidity risk and capital management	Managed under GRI general disclosures	-
	Investment management and financial stability	Managed under GRI general disclosures	-
Climate change and environmental risks	Operational disruptions due to natural disasters	Climate strategy and energy	Environmental
	Water resource shortage risk	Water management	Environmental
	Renewable energy installation risk	Climate strategy and energy	Environmental
	Natural resource and biodiversity risk	Waste management and circular economy	Environmental

Note: The Company has already incorporated emerging risks not yet classified as material ESG topics (e.g., new raw materials, AI ethics) into its overall risk assessment mechanism and continues to monitor their potential impacts.

In response to rising global risks, Innolux has integrated Business Continuity Management (BCM) into its daily operations to reduce the impact of natural disasters and human-induced incidents on production, materials supply, and services. This ensures uninterrupted business operations, supports corporate sustainability, and enables the Company to provide customers with high-quality service.

Innolux has established a Business Continuity Management Team, with the CEO or the highest-ranking site executive serving as commander. Senior executives from various functional units form the crisis response cabinet. In the event of operational disruption, the team is responsible for developing a recovery plan and formulating decision-making strategies to ensure a rapid corporate response, protect the Company's reputation, and safeguard the rights and interests of stakeholders.

Innolux's Business Continuity Management Architecture

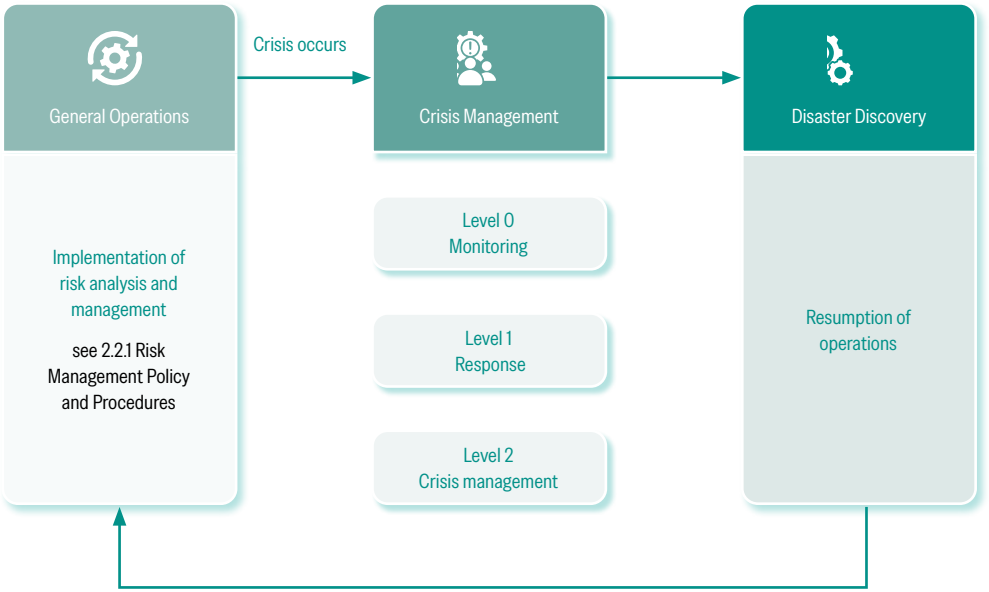


2.2.3.1 Business Continuity Plan

We have formulated the Innolux Business Continuity Plan (BCP), which establishes emergency response and recovery procedures to ensure that the necessary measures are taken to prevent or minimize interruptions in the event of a crisis or disaster.

Furthermore, to ensure operational resilience and production stability, Innolux has established 10 disaster prevention centers across its global manufacturing sites, each equipped with plant safety monitoring systems. A dedicated Emergency Response Team (ERT) has also been formed to ensure a timely response to unforeseen events. In 2025, Innolux continuously strengthened site safety and disaster response capabilities by conducting over 1,112 emergency response drills with more than 32,956 participants.

Innolux's Business Continuity Plan



Business Continuity Drills

Innolux is committed to strengthening operational resilience and intrinsic safety, viewing a robust Business Continuity Management (BCM) mechanism as a key part of fulfilling its corporate social responsibility. The Company regularly conducts Business Continuity Plan (BCP) drills for major risks such as public service disruptions, natural disasters, and raw material supply shortages. Through rolling reviews and continuous optimization, Innolux continues to enhance its crisis response and recovery capabilities.

This has been especially true in 2025, when Innolux addressed the increasingly severe impacts of climate change by planning and completing 10 operational disruption drills. The drills covered potential disruptions caused by extreme weather, including water shortages, power rationing, energy supply disruptions, and fires at site facilities.

Through tabletop exercises and practical testing, the Company ensured the effectiveness of its response plans, thereby safeguarding employee safety, customer interests, and Innolux's sustainable development.



Power Outage



Gas Supply Interruption



2.2.3.2 Corporate ESH Risk Audit

Against the backdrop of climate change, technological advancement, and economic development, enterprises are facing increasingly diverse risks. Innolux actively consolidates annual risk reports published by international organizations, including WEF, Allianz, and FM, to analyze changes in risks. The Company classifies risks into four major risk categories to identify threats and risks requiring attention, and has established a risk assessment and management mechanism that is regularly reviewed to ensure optimal risk control strategies and resource allocation. To strengthen organizational operational resilience, Innolux seeks to maintain steady development amid uncertainty and fulfil its responsibilities to stakeholders.

In 2025, Innolux identified 12 corporate short- and medium-term risks as priority areas for attention. Based on each risk's level of impact, they were classified into three levels: Critical, Minor, and Optional, as shown in Figure 1 below.

12 Priority Risks Requiring Attention

Economy	Environment	Society	Technology
Operational Disruptions (C)	Climate Change (C)	Occupational Health (C)	Fires and Explosions (C)
Labor Shortages (C)	Natural Disasters (O)	Occupational Safety (C)	Emerging Technologies (M)
Energy Crises (O)	Environmental Protection (C)	Legislative Supervision (O)	
Critical Infrastructure (O)			

A Establishment of four major risk categories

B Categorization of the 12 risks requiring attention

C Materiality level [Note]:
- Critical (C)
- Minor (M)
- Optional (O)

Note1: Level of international concern × independent impact

Innolux focused on four risks requiring attention among the year's risk assessment activities: operational disruptions, natural disasters, fires and explosions, and climate change. Each risk was further mapped to several scenarios, as shown in Figure 2. Eight production sites were selected for assessment. The overall assessment was based on a framework encompassing four major dimensions and 12 indicators, as shown in Figure 3, and the risk exposure index, corresponding control strategies, and risk control capabilities of each of the eight sites was systematically evaluated.

Risk Categories and Scenario Mapping

Impact: H M L

Corporate Risk	Priority Level	Scenario Impact Chain
Operational Disruptions	Critical	Natural Disasters (H) · Power Outages (H) · Statutory Communicable Diseases (M)
Natural Disasters	Critical	Earthquakes (H) · Typhoons (H) · Heavy Rainfall (H) · Low Temperatures and Snowstorms (H)
Fires and Explosions	Critical	Chemicals (H) · Electrical Safety (H) · Diversified Energy Sources (H) · Material Management and Hot Work Operations (H) · Air Pollution Control Systems and Wastewater Systems (H)
Climate Change	Critical	Carbon Policy Regulations (H) · Water Shortages and Drought Resilience (H) · Operations Under Extreme High and Low Temperatures (H)

Risk Dimensions and Indicators

1. Hazard Protection
- Dimension: Disaster Prevention and Mitigation
- Indicators: Hazard Assessment, Physical Environment, Detection and Protectio

2. Operational Maintenance
- Dimension: Maintenance and Compliance
- Indicators: Equipment Specifications, Operational Procedures, Maintenance and Upkeep



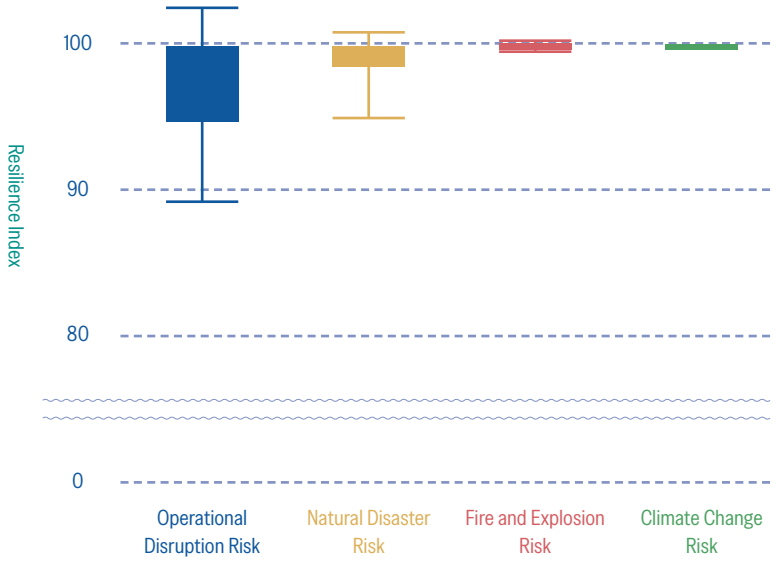
4. Emergency Response Plan
- Dimension: Response and Recovery
- Indicators: Plan Development, Emergency Response, External Support

3. Internal and External Factors
- Dimension: Organization and Decision-Making
- Indicators: Personnel Training, Equipment Certification, External Risk Exposure

After the assessment, Innolux addressed items with relatively weak risk tolerance through risk control strategies such as elimination, mitigation, transfer, and retention, to respond to risk management needs and enhance risk control resilience. Among the risk assessment results, climate change and fires and explosions showed the strongest performance, followed by natural disasters and then operational disruptions. The overall resilience index for the four priority risks requiring extra attention averaged above 90 points, as shown in Figure 4. The specific actions demonstrating risk control resilience for each risk are summarized in Figure 5 below.

Looking ahead, Innolux will continue to monitor and assess other risks, and gradually establish and promote a dynamic risk management mechanism. Guided by the core value of strengthening sustainable resilience, the Company will continue to build a more resilient and competitive operational framework to respond to fast-changing and increasingly diverse challenges in the future.

Risk Control Resilience Assessment Results for Risks Requiring Attention



Engineering Risk Control Standards and Results

Operational Disruption Risk

- Established contingency plans for continuous operations in the event of earthquakes, fires, power outages, pandemics, and other scenarios; planned emergency response procedures and risk handling mechanisms in advance; and regularly reviewed site risk rankings and conducted BCP drills in accordance with ISO 22301.

Natural Disaster Risk

- Implemented engineering controls for buildings and service systems following NFPA, FM, and UL standards, and established engineering specifications for new buildings and renovations with clear requirements.
- For process equipment and systems, seismic damage prevention was implemented in accordance with the SEMI S2 standard. Innolux has also introduced Equipment Safety Procurement Specifications and implemented a sign-off review mechanism after equipment enters the site to effectively control equipment safety. Seismic design for plant facilities is carried out in accordance with FM 5-32.

Fire and Explosion Risk

- Fire protection systems for plants and HPM equipment, as well as chemical management (supply and storage), are all governed by design criteria and management procedures established in accordance with the aforementioned operating specifications.
- For emerging risks, such as solar power systems and energy storage power stations, Innolux has established relevant company operating specifications in accordance with standards including FM 7-106 and NFPA 855 to design reviews, engineering inspections, grid-connection acceptance, and operation and maintenance procedures.

Climate Change Risk

- Aligning with the international SBTi initiative targets and ISO 14064 international standards, Innolux has established a comprehensive carbon inventory mechanism and implemented carbon management policies.
- In accordance with the CDP framework, Innolux systematically monitors water resource use and related risks, promotes water-saving technologies and water recycling measures, and has established drought response guidelines for periods of water shortage to strengthen operational resilience and sustainable water resource management.
- In accordance with RBA standards, Innolux has established safety specifications for operations in extreme high- and low-temperature environments, including appropriate rest periods, allocation of protective equipment, and health monitoring mechanisms, to protect the safety, health, and rights of employees and contractors.

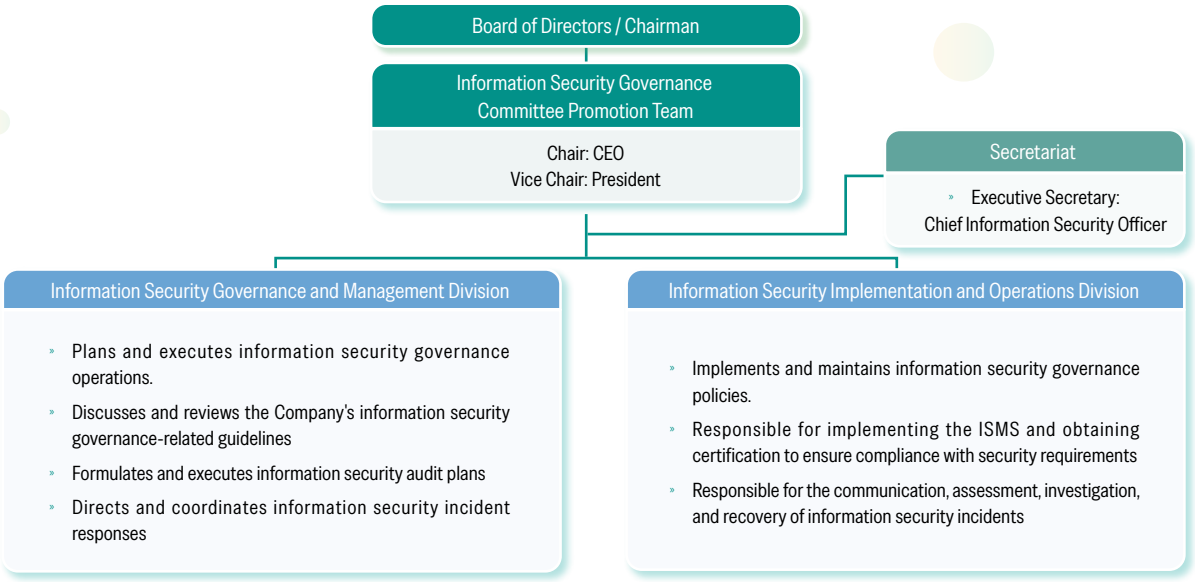
2.2.4 Information Security Management

As the world's digital transformation accelerates and information security risks increase, Innolux recognizes the importance of information security to corporate sustainability and stakeholder trust. In accordance with international standards and industry best practices, the Company has established information security policies and related management system mechanisms covering the protection of operational data, customer confidentiality, supply chain information, and employee privacy. Innolux has also implemented risk management, information security incident response education, and employee training to ensure operational stability and data security.

Information Security Governance Framework

To ensure the effectiveness of our information security governance, Innolux established the Information Security Committee to formulate overall information security strategy and action plans, with the Chief Information Security Officer (CISO) serving as convenor. The Information Security Committee convenes regularly to review the applicability and effectiveness of the Information Security Management System (ISMS). Two task forces—the Information Security Working Group and the Emergency Response Team—operate under the committee. The former is responsible for daily monitoring and management of information security, while the latter activates the emergency response mechanism in the event of major cybersecurity incidents to ensure timely risk control and minimize potential damage.

Organizational Structure and Responsibilities



Oversight by the Board of Directors

To maximize the effectiveness of our information security governance, Innolux submits an annual Cybersecurity Governance Report to the Board of Directors in the fourth quarter of each year. This report includes the results of information security risk assessments, the implementation status of critical infrastructure protection measures, summaries of major cybersecurity incidents, and future improvement plans. The purpose of this mechanism is to ensure that senior management maintains a clear understanding of the evolving cybersecurity landscape and that decision-making remains aligned with our Enterprise Risk Management (ERM) framework. Furthermore, in accordance with our corporate governance principles and international standards, all key information security strategies are subject to review and oversight by the Board of Directors.

Information Security Policy and Organization

In accordance with ISO 27001 and the NIST Cybersecurity Framework (CSF), Innolux has established an information security management system built around five core strategies: Identify, Protect, Detect, Respond, and Recover. This system ensures the integrity, confidentiality, and availability of information assets.

The Company regularly conducts information asset inventories and risk assessments, and strengthens access control over confidential data. In social engineering phishing email tests, the trigger rate decreased significantly from 23.41% in 2024 to 6.3% in 2025, demonstrating that the annual Information Security Month training and awareness campaigns have been effective in improving employees' information security awareness and reducing attack risks.

Innolux also promotes internal network security enhancement programs and source code scanning mechanisms. Through cybersecurity monitoring mechanisms, the Company continuously monitors abnormal traffic and potential threats, strengthens internal network defense capabilities, and ensures the security of IT equipment and critical data.



Information Security Strategies and Future Development Objectives

Timeline	Description
Short-term: 2026	» Promote information security maturity and institutionalize policies and standards: information security policies, governance structure, and defined information security roles and responsibilities. » Introduce a cybersecurity protection plan for geopolitical risks: establish a cybersecurity defense framework for geopolitical risks, including network segmentation, ransomware protection, and off-site backups for sensitive data. » Strengthen cybersecurity protection capabilities and enhance threat detection: complete risk assessments and improvement proposals for major production and operational systems, such as MES and ERP, and introduce cybersecurity monitoring systems or enhance cybersecurity monitoring standards. » Establish real-time information security incident reporting and business continuity mechanisms, integrated with BCP: incorporate information security incidents into the BCP framework, establish incident reporting and handling procedures, and complete integrated drills with IT and operational units. » Strengthen the role of information security officers in each unit through the Information Security Governance Committee: establish unit-level information security officers and defined information security roles and responsibilities, forming a governance system and baseline for internal controls. Plan and implement cybersecurity audits and continuously improve mechanisms.
Mid- term	» Introduce a Personal Information Management System, PIMS, based on ISO/IEC 27701:2025. » Promote a supply chain cybersecurity management mechanism based on ISO 28000:2022. » Introduce an AI SOC cybersecurity monitoring system. » Incorporate information security incidents into BCP drill plans and enhance the drill framework.
Long-term	» Deploy a cybersecurity monitoring system using proactive User and Entity Behavior Analytics, UEBA. » Introduce a Data Loss Prevention, DLP, mechanism. » Introduce an automated supply chain cybersecurity assessment management platform. » Establish a cybersecurity alliance for real-time threat alerts and cross-organization joint defense. » Conduct high-intensity BCP drills to ensure operational resilience.

Cybersecurity Incident Management and Response Mechanisms

Based on ISO 27001 and NIST CSF standards, Innolux has established an information security Incident Response Plan (IRP) to ensure that the Company can respond promptly to information security incidents, reduce their impact, and minimize operational disruptions through its Business Continuity Plan (BCP) and disaster recovery mechanisms.

To support this framework, Innolux regularly conducts asset inventories and risk assessments, enhances access control for sensitive data, and ensures the security of IT infrastructure and critical data. In addition, Innolux has established backup mechanisms for critical systems and verifies its response capabilities through DR drills, ensuring that business operations can be rapidly restored in the event of a major information security incident.

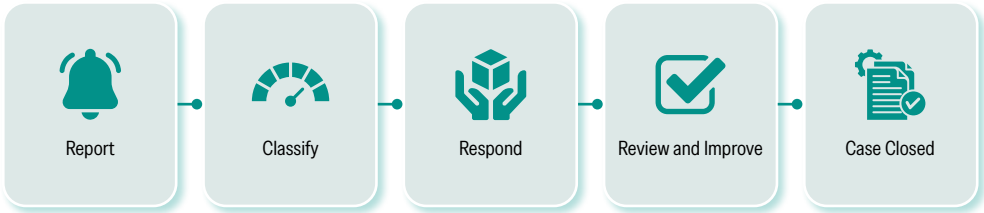
In 2025, Innolux conducted nine drills for key core systems, which covered different types of information security threats and response procedures. These drills ensure that the Company can respond quickly to various types of attacks and maintain continuous operations and services. In addition, Innolux also established backup mechanisms for key systems and verified its response capabilities through DR drills, ensuring that business operations can be rapidly restored in the event of a major information security incident.

In February 2025, the Company conducted a Breach and Attack Simulation (BAS) drill to simulate multi-faceted hacker attacks and test the effectiveness of its defense mechanisms. The drill covered hacker infiltrations and cyberattacks, using real attack techniques to verify the security of the Company's information security architecture and ICT equipment. Following the drill, the Company optimized the configuration of its protective equipment to ensure the speed and robustness of its information security mechanisms.

Regulatory Compliance and Incident Reporting

For information security incidents, the Company has established a comprehensive reporting mechanism to ensure that, in the event of an incident that may affect business operations, it can respond and take action promptly in accordance with government regulations while maintaining transparency. By strengthening monitoring, response, and recovery mechanisms, the Company not only ensures operational stability, but also enhances information security resilience and supports sustainable development. In 2025, the Company experienced no major information security incidents and received no official fines for information security violations.

Innolux's Cybersecurity Incident Reporting and Response Procedures



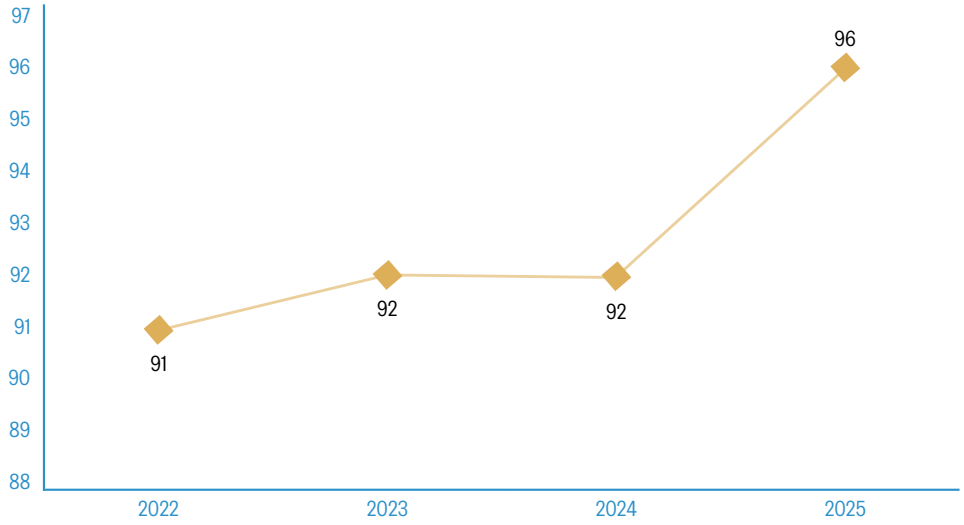
Annual Information Security Maturity Assessment

The Company conducts an annual information security maturity assessment, using quantitative indicators to evaluate the implementation of information security policies, risk management mechanisms, the strength of technology applications, employee information security awareness, and supply chain cybersecurity defenses. The assessment reviews the effectiveness of the information security management system and identifies directions for improvement.

Since 2020, Innolux has adopted the Security Platform as a Service (SECPAAS), which was developed by the Industrial Technology Research Institute (ITRI) to identify information security vulnerabilities and adjust network security planning at its manufacturing sites in a timely manner. In 2023, the Company further introduced the Cybersecurity Framework (CSF), developed by the U.S. National Institute of Standards and Technology (NIST), to enhance information security response capabilities and digital resilience.

In 2025, Innolux introduced the Panorays Cyber Posture Maturity Platform. The Company's cyber posture maturity score increased from an initial score of 87 to 96, demonstrating that Innolux has reached an industry-leading level in risk protection, incident response, and information security governance.

Information Security Maturity Assessment Score Chart



Cybersecurity Awareness and Internal Compliance

In 2025, Innolux issued five information security announcements and held online training sessions for 12,465 employees. To continuously improve the effectiveness of information security education and training, the Company also set training KPIs. The Group's training participation target rate was 80%; actual participation reached 100%, and the post-training test pass rate also reached 100%, exceeding the original target.

In addition, by revising and updating regulatory documents and conducting internal and external audits, Innolux completed the transition audit for ISO 27001:2022 and updated its certification. The Company also engaged in industry-government collaboration with the National Center for High-performance Computing, further enhancing employees' information security awareness and capabilities and advancing the implementation of a Zero Trust architecture.

Compliance Rates for Annual Cybersecurity Training

Year	Cybersecurity training KPI	Actual compliance rate
2023	≥80%	100%
2024	≥80%	100%
2025	≥80%	100%

Value Chain Information Security Management

In response to the wave of digital transformation, Innolux continues to strengthen cloud and operational technology (OT) security to ensure information security across its manufacturing environment. The Company is also advancing AI-driven cybersecurity protection by using behavioral analytics and machine learning technologies to enhance anomaly detection and automated response capabilities.

To reduce cybersecurity risks across the overall value chain, Innolux has established a Supply Chain Risk Management (SCRM) platform to classify and review suppliers according to their level of cybersecurity protection. For customers, the Company has long supported audits, questionnaire responses, and system implementation.

In addition, all personnel entering Innolux sites are required to undergo cybersecurity workstation equipment checks to prevent the leakage of confidential information. Business partners are also required to sign Non-Disclosure Agreements (NDAs). Through its Mobile Device Management (MDM) system, Innolux similarly strengthens mobile device management and ensures the implementation of information security management requirements.

In 2025, through multiple activities and exchanges, the Company actively participated in domestic and international cybersecurity organizations and teams. By leveraging intelligence sharing and joint defense mechanisms, Innolux aims to strengthen threat monitoring and response capabilities, while jointly enhancing cybersecurity protection across its multi-party value chain. Through participation in international and regional collaborations, the Company also keeps abreast of the latest Indicators of Compromise (IOCs), significantly improving the timeliness and accuracy of cybersecurity monitoring.

Participating Organizations
Forum of Incident Response and Security Team, FIRST
Taiwan Computer Emergency Response Team, TWCERT
Science Park Information Sharing and Analysis Center, SP-ISAC
Taiwan Chief Information Security Officer Alliance, CISO
Association for Cyber Forensics Development, ACFD
Association for Global Cyberspace Management and Industry Development, AGCMID



HITCON CISO Summit 2025



2025 SP-ISAC

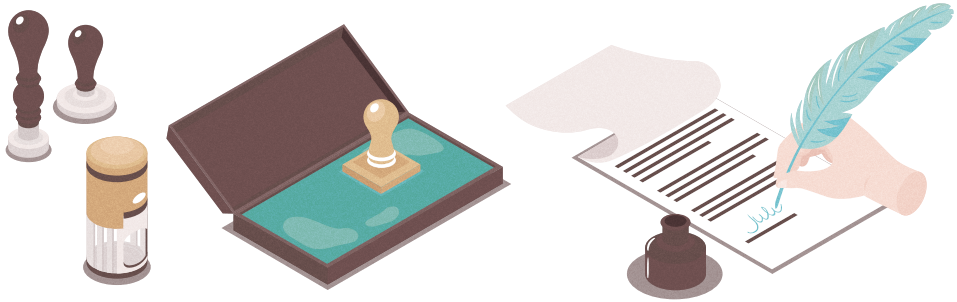
2.3 / Integrity Management and Legal Compliance

GRI 2-23、2-24、2-25、2-27、205-1、205-2、205-3、418-1

Innolux complies with the laws and policies of the countries in which it operates. Through comprehensive internal rules and regulations, the Company prohibits all forms of illegal business conduct, ensures legal and regulatory compliance across its operations, and upholds business integrity.

2.3.1 Integrity Management

Integrity and accountability are the cornerstones of Innolux's operations. The Company conducts its business activities in a fair and transparent manner and strictly prevents unlawful conduct, thereby strengthening the trust of all stakeholders and fulfilling its commitment to sustainable operations. To win over the trust and respect of our clients, shareholders, employees, suppliers, and society as a whole, the Company is committed to conducting business activities in a fair and transparent manner, eradicating all unlawful practices, and shaping a culture that is marked by integrity and accountability. To enhance integrity management, the Company has formulated the Innolux Integrity Management Code and the Innolux Anticorruption Policy. All new hires are required to sign the Innolux Employment Agreement and Integrity/Intellectual Property Protection Statement upon onboarding. Similarly, we require our suppliers to adhere to the Supplier Corporate Social Responsibility Code of Conduct Operating Standard and sign the Supplier's Undertakings.



2.3.1.1 Business Integrity and Ethics Management

Policies and guidelines

To uphold business integrity, Innolux has established the Integrity Code of Conduct, the Code of Ethics for Directors and Officers, and the Employee Code of Conduct, in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx listed companies and the Responsible Business Alliance (RBA) Code of Conduct. These policies are published on our official website, Global DCC intranet, and the Market Observation Post System (MOPS), and are applicable to all Innolux employees and subsidiaries.

Innolux has established clear operational guidelines that strictly prohibit the offering, promise, or acceptance of any form of unlawful benefit. All distributors, suppliers, clients, and business partners are required to comply with the Company's integrity management and anti-corruption policies. To ensure compliance, annual internal audits are conducted in accordance with the Responsible Business Alliance (RBA) Code of Conduct. In 2025, no material risks were identified. Innolux remains committed to strengthening internal oversight and enhancing supply chain compliance management.

The Company has also implemented both internal and external complaint mechanisms, offering anonymous reporting channels for employees and business partners to report corruption, improper transactions, or other violations. All reported cases are investigated by a cross-functional task force consisting of members from Legal Affairs, Human Resources, and Internal Audit, with measures in place to protect whistleblowers from retaliation. For details on reported cases and follow-up actions, please refer to Section 2.3.1.2: Reporting Channels and Whistleblower Protection Mechanisms.

Regulatory Compliance Identification

Innolux has established mechanisms for business ethics and regulatory compliance identification. The Company regularly reviews updates to domestic and international integrity management, anti-corruption, anti-trust/competition, and corporate governance laws and regulations to ensure that internal policies and operational procedures remain aligned with the latest legal requirements. Revisions are made as needed to maintain compliance. In addition, Innolux adheres to several international standards, including ISO 45001, ISO 14001, ISO 9001, ISO 27001, ISO 50001, QC 080000, and the RBA VAP, to ensure effective compliance management across all areas.

Risk Assessment

Based on the results of regulatory compliance identification, Innolux conducts risk assessments related to business ethics and anti-corruption through its internal compliance and ethics management mechanisms, ensuring both the implementation and effectiveness of its integrity management policies.

In 2025, the Company monitored potential risks and implemented risk management measures through multiple channels, including anti-corruption whistleblower mechanisms, supplier undertakings, and employee anti-corruption surveys. Moving forward, Innolux will continue to adapt its management systems in response to operational needs and changes in the external environment to ensure the continued effectiveness of its ethical and compliance practices.

Education and Training

External training (for suppliers and clients)

To eradicate unlawful business practices and foster a fair and transparent business environment, we engage in annual anti-corruption and business integrity awareness campaigns targeted at our top 20 suppliers and clients in each application category, encouraging them to report any unlawful acts, unfair treatment, or corruption directly to the head of the Company's legal department. In 2026, we will continue to promote our anti-corruption and business integrity policies among our top 20 suppliers and clients in each application category.

Internal training (for employees)

We added business integrity promotional materials to our official website and the boot screens of computers at our sites. We also hold business integrity and ethics training courses for employees in the greater China region covering topics such as trade secrets, personal data protection, anticorruption, insider trading, and anti-trust regulations. Through lectures and case studies, employees are able to form a better understanding of the compliance requirements, reinforcing awareness of business ethics and integrity. This approach supports the Company's goal of fostering legal awareness, regulatory compliance, and the implementation of integrity principles.

Training completion rate in 2025

Target	Metrics	Trade secret, personal data protection, anti-corruption, and insider trading prevention	Anti-trust regulations Note 2	RBA Code of Conduct Note 3
Employees	Enrolled Note 1	10,285	2,879	11,573
	Completed	9,980	2,786	11,573
	Completion rate	97.03%	96.77%	100%
	Completion target	95%	95%	100%
	Target achieved	V	V	V

Note1: All indirect employees across the greater China region are required to attend trade secret, personal data protection, anti-corruption, and insider trading prevention training.

Note2: L50 or above managers (including technical managers) and employees in marketing and sales, procurement, quality assurance, contracting, sales management, procurement, credit management, and public relations are required to attend anti-trust regulations training.

Note3: New hires, current employees, and production line managers are required to attend the RBA Code of Conduct course.

2.3.1.2 Reporting Channels and Whistleblower Protection Mechanisms

As part of the Company's anticorruption reporting system, Innolux encourages its employees and any third parties to report behavior that violates the applicable laws and regulations via either the employee care hotline or the anticorruption mailbox. Upon receiving a report, an interdepartmental investigative task force, composed of legal affairs, human resources, and the audit office, conducts a series of investigatory tasks in accordance with the Innolux Anti-Corruption Investigation and Management Guidelines. Reporting and complaints may be submitted anonymously, and all information is treated with strict confidentiality. Innolux upholds a zero-tolerance policy toward retaliation and is committed to protecting whistleblowers from any form of retaliation. A dedicated employee complaint hotline is maintained to ensure the effectiveness and accessibility of the reporting mechanism.

Reporting and complaint channels

Anti-corruption reporting

- Email: speak-up@innolux.com

Employee complaints

- Email: 67885.tw@innolux.com

Reporting and Complaint Cases Received

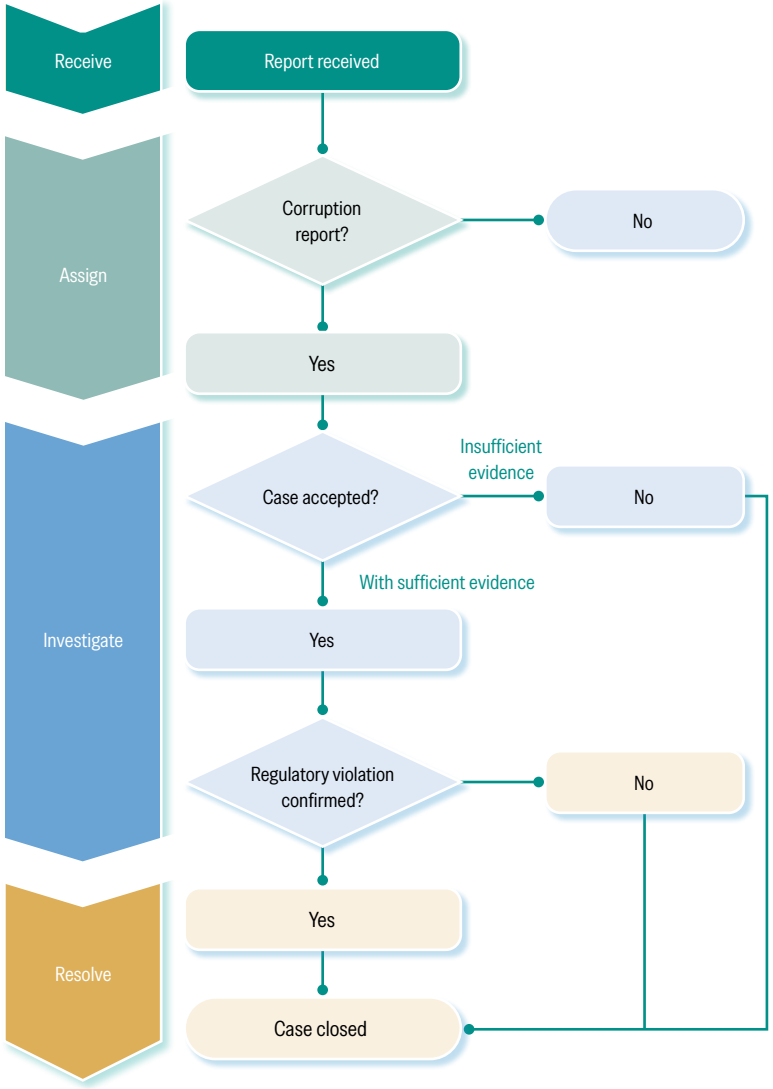
We received 38 reports in 2025. Of these, 8 corruption-related cases were submitted to the task force for investigation, while the remaining 30 cases, unrelated to corruption, were forwarded to the competent authorities for follow-up action. Of the eight cases involving alleged corruption, four remain under investigation. Of the remaining cases, three did not meet the criteria for formal case filings, while one case was substantiated following investigation and was confirmed to involve corruption.

Reporting and complaint cases in 2025

Channel	No. of Cases	Category	
		Anti-corruption	Other
Internal reports Note 1	8	3	5
External reports	30	5	25
Total	38	8	30

Note1: Internal reports are filed by Innolux employees or persons claiming to be employ

Anti-corruption reporting and investigation procedure



2.3.2 Legal Compliance

Innolux has established a legal affairs department responsible for the planning and execution of legal compliance matters to ensure regulatory compliance in business operations and reduce violation risks. The Company continuously monitors regulatory developments and amendments that may impact its operations, regularly implements compliance management, and promptly adjusts internal systems and operating procedures as needed.

Legal Compliance Status

In 2025, Innolux continued to comply with applicable laws and regulations and the RBA Code of Conduct, while promoting environmental protection, integrity in business, and business ethics management. Throughout the year, the Company incurred no penalties related to environmental impact, anti-corruption, personal data protection, trade secrets, or antitrust matters. However, in 2025, the Company was fined a total of NT$723,000 for violations related to chemical management, safe operating procedures, and overtime work, in accordance with the Toxic and Concerned Chemical Substances Control Act, occupational safety regulations, and the Labor Standards Act. In response, the Company has revised its environmental and working hours management systems, strengthened safety measures, and enhanced employee training to ensure that operating procedures comply with regulatory requirements. Overall, the existing violations had limited impact on the Company's operations. Innolux has established a comprehensive internal control and compliance management framework and will continue to refine relevant systems to reduce potential risks.

For conduct involving violations of trade secret regulations, the Company will protect the legitimate rights and interests of the itself and its customers, handle such matters in accordance with its reward and disciplinary mechanisms, and pursue legal action where appropriate. In 2025, the Company completed the handling and resolution of all complaints involving violations of trade secrets or confidential information protection.

Regulatory fines in recent years

Violation type		2021	2022	2023	2024	2025
Environmental protection	Material cases[Note 1] /total cases[Note 2]	0/4	0/0	0/0	0/1	0/2
	Fines (NT$)	300,000	0	0	30,000	52,750
Labor rights and employee health	Material cases / total cases	1/1	0/2	0/1	0/3	0/5
	Fines (NT$)	800,000	130,000	100,000	360,000	670,000
Business integrity and ethics	Material cases / total cases	1/1	0/0	0/0	0/0	0/0
	Fines (NT$)	603,452	0	0	0	0
Material cases / total cases		2/6	0/2	0/1	0/4	0/7
Total fines (NT$)		1,703,452	130,000	100,000	390,000	722,750[Note 3]

Note1: A fine of US$10,000 or more for a single violation is considered a material case.

Note2: Numbers shown in the "total cases" category include the number of material cases.

Note3: The fines for the four cases were NT$30,000, NT$110,000, NT$50,000, and NT$200,000 respectively.

Trade Secrets and Sensitive Data Protection

In response to the rapidly changing industry landscape, Innolux is adhering to its "More than Panel" vision by actively expanding into the medical, automotive, and display sectors, and strengthening its R&D capabilities to maintain competitiveness and reduce operational risks. Therefore, safeguarding trade secrets and sensitive information has become increasingly critical.

To enhance employee awareness, Innolux requires all indirect employees in the Greater China region to complete Trade Secrets Act compliance training. We also promote data confidentiality through multi-channel awareness campaigns. Employees who violate trade secret policies are subject to disciplinary action, and serious breaches may lead to legal prosecution, ensuring the legitimate rights and interests of the Company and its clients are fully protected.

To ensure compliance with legal and customer requirements throughout our operations and supply chain, we formulated the Innolux Code of Conduct for Employees, the Innolux Practical Principles of Corporate Social Responsibility, and the Innolux Supplier Corporate Social Responsibility Code of Conduct Operating Standards. In doing so, we protect our clients' rights and maintain our competitive edge. In 2025, we received no complaints related to trade secret or sensitive data protection.

Trade secret and sensitive data protection mechanism

Regulatory compliance	» To ensure compliance with legal and regulatory requirements across our operations and supply chain, Innolux has established a comprehensive framework, including the Innolux Code of Conduct for Employees, the Practical Principles of Corporate Social Responsibility, and the Supplier Corporate Social Responsibility Code of Conduct Operating Standards. These policies reinforce our commitment to the rigorous protection of confidential and proprietary information.
Internal training and control	» We conduct annual trade secret and data protection training for our employees. In 2025, the training completion rate reached 97.03%. » Internally, we enforce role-based access control, granting authorization levels based on job responsibilities. Access logs are maintained for all confidential manufacturing and transaction data to strengthen information security control.
Comprehensive cybersecurity technologies	» We have obtained ISO 27001:2013 certification and implemented corresponding information security measures. » We purchase information security insurance to protect the rights and interests of our value chain partners and prevent financial losses attributable to material cybersecurity incidents. » We join domestic and international information security alliances to form an inter-organizational collaborative defense against cybersecurity threats, while strengthening corporate resilience.
Comprehensive external management mechanism	» In terms of external security controls, we sign Non-Disclosure Agreements (NDAs), with clients that clearly define the scope, duration, and responsibilities related to data sharing with third parties. » We implement strict controls on mobile device usage by external personnel. All such devices must have company-approved device management software installed and must pass an information security inspection before being granted site access.

2.4 / Financial Performance and Tax Governance

GRI 2-23、2-24、2-25、201-1、203-2

Financial performance and tax governance are indispensable to the sustainability of corporate operations. In light of ongoing global unrest, Innolux is facing challenges head-on by flexibly adjusting its strategies with the goal of ensuring stability in its financial performance.

2.4.1 Financial Performance

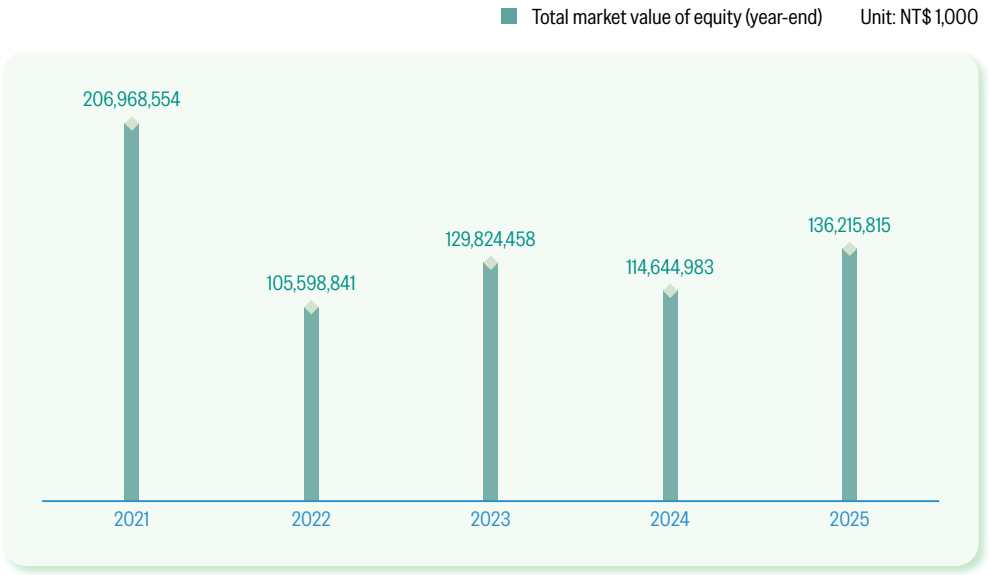
In 2025, the Innolux Group reported consolidated revenue of NT$226.7 billion and a gross profit of NT$18.6 billion, with a gross profit margin of 8.23%. The Company posted an operating loss of NT$4.16 billion, representing an operating margin of -1.83%. Net income after tax was NT$6.7 billion, with earnings per share (EPS) of NT$0.03.

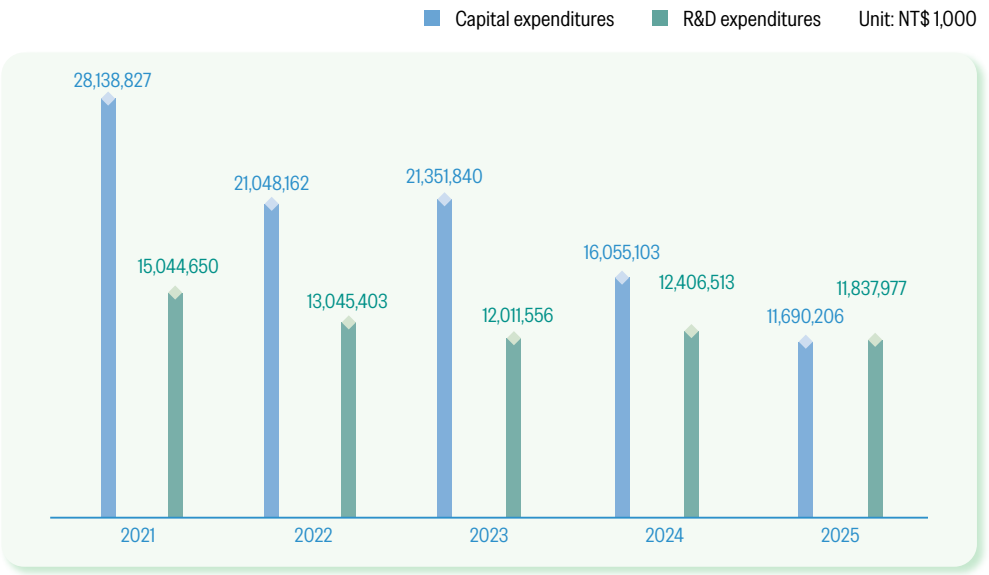
Operating outcomes in 2025

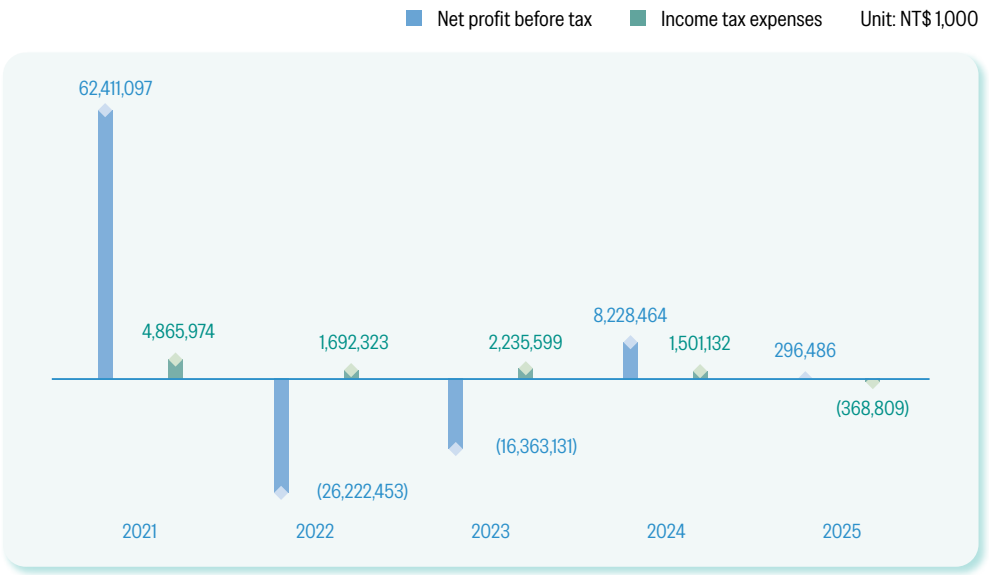
Consolidated Revenue **NT$ 226.7 B**	Gross profit **NT$ 18.6 B**
Gross profit margin **8.23%**	Operating loss **NT$4.16 B**
Profit margin **-1.83%**	Net loss after tax **NT$670M**
Earnings per share **NT$0.03**	

Operating outcomes, 2021-2025









Sustainable Financing

Green Financing: Leveraging Financial Resources to Promote Sustainability

Innolux integrates the principles of sustainable development into its business operations and financial strategy, actively connecting with financial resources and recognizing green finance as a key driver of environmental sustainability.

Through collaboration with financial institutions, the Company channels funding into concrete green development projects, including renewable energy, energy and resource efficiency improvements, and pollution prevention.

Since 2023, Innolux has successfully secured green special-purpose loans arranged by Taipei Fubon Bank. This not only reflects the financial sector's recognition of the Company's sustainability performance, but also provides strong support for Innolux's commitment to environmental protection, accelerating the realization of its green manufacturing blueprint.

Sustainability-Linked Syndicated Loan

Innolux has deeply integrated sustainable development into its corporate financial strategy and successfully completed a Sustainability-Linked Loan (SLL) syndicated facility jointly participated in by 18 leading financial institutions, including Taipei Fubon Bank, CTBC Bank, Mega International Commercial Bank, and Hua Nan Bank.

What makes this loan distinctive is that its financing terms are directly linked to the Company's sustainability performance indicators. When Innolux achieves predefined excellence targets in areas such as environmental protection, social responsibility, and corporate governance, the Company is eligible for preferential loan interest rates.

This mechanism not only effectively enhances Innolux's financial flexibility and the resilience of its sustainable operations, but also uses market-based incentives to drive the Company's continuous improvement.

2.4.2 Tax Governance

In response to international trends in tax governance and to fulfill corporate sustainability, risk management, tax compliance, shareholder value enhancement, and social responsibility, Innolux has established the INX Group Tax Policy and Management Guidelines, which apply to the Company and all its subsidiaries.

INX Group Tax Policy and Management Guidelines

INX Group Tax Policy and Management Guidelines

Legal Compliance

Innolux is committed to complying with the spirit of international tax principles as well as the tax laws and regulations in all jurisdictions where we operate, including:

1. Preparing transfer pricing documentation to comply with applicable regulations
2. Refraining from using tax havens or engaging in tax planning with the primary purpose of tax avoidance
3. Avoiding profit shifting to countries or territories with low tax rates as defined under the R.O.C. Income Tax Act
4. Fully understanding and adhering to local tax laws and their legislative intent, accurately calculating and truthfully reporting income, and making timely tax payments to fulfill our responsibility as a good corporate taxpayer

Information transparency

Tax disclosures are handled in accordance with relevant laws and guidelines. Tax information is regularly disclosed to stakeholders through financial statements, annual reports, and sustainability reports to ensure transparency.

Trust-based Communication

Innolux maintains a relationship of mutual trust and open communication with tax authorities, engaging in timely dialogue to address and clarify tax-related matters and fostering a positive, cooperative rapport.

Risk controls

Tax risks and the implications of major transactions and decisions are carefully evaluated, and effective risk controls are implemented through structured management mechanisms.

Talent Development

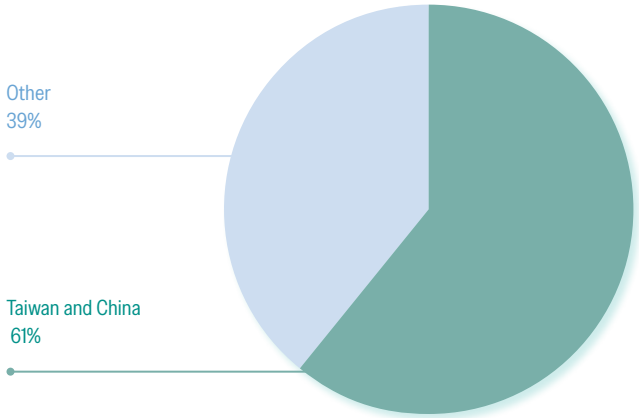
Innolux develops its tax professional ability to assess regulatory changes and respond quickly and appropriately. Continuous training is provided to enhance tax-related expertise and competencies.

Tax Disclosure

In 2025, the majority of the Innolux Group's operating revenue, net profit before tax, and income tax expenses were attributed to the Taiwan Headquarters and manufacturing subsidiaries in China, the tax rates for which were 20% and 25% respectively. A tax loss carryover reduced the payable tax amount for the Taiwan headquarters.

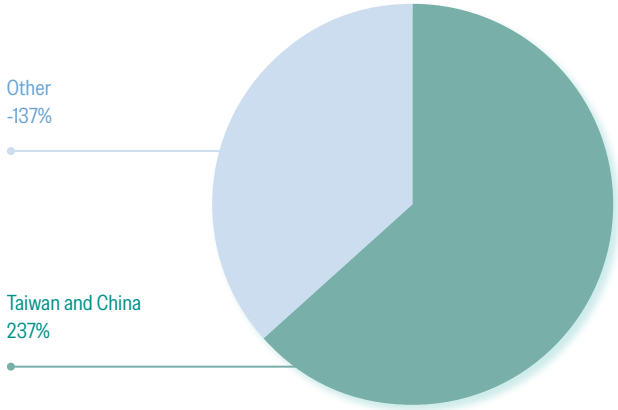
Operating income

NT$ 226.7B



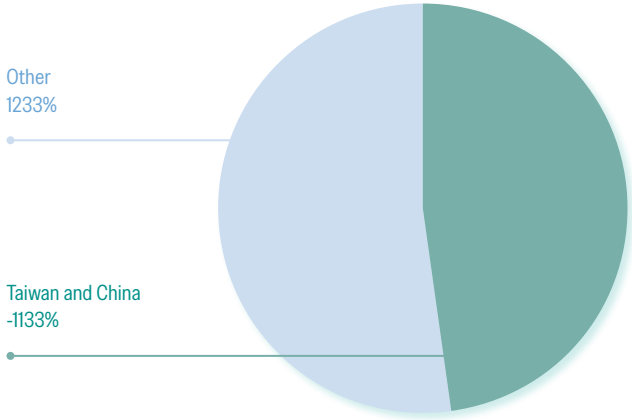
Net profit before tax

NT$ 400M



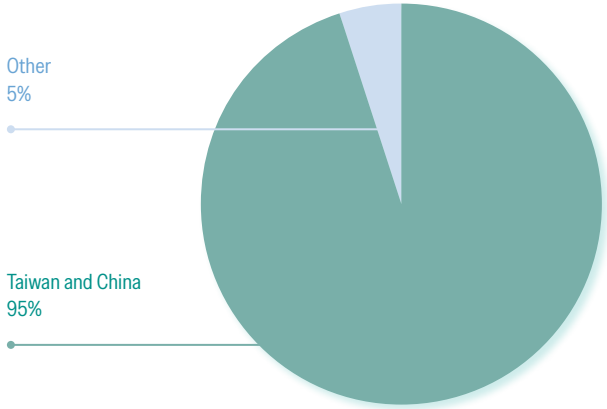
Income tax expenditures

NT$ 300M



Income tax paid

NT$ 1.7B



3

Innovative Transformation and Coordinated Procurement



- ✓ Taiwan sites passed **AA-level** certification under the Taiwan Intellectual Property Management System (TIPS)
- ✓ Ranked among the **top 10** patent applicants in Taiwan
- ✓ Held a cumulative total of **15,348** patents worldwide
- ✓ **86** green product patents were granted globally this year, bringing the cumulative total to **678**
- ✓ Customer satisfaction reached **97.4%**
- ✓ **111 suppliers** completed GHG inventories and key suppliers achieved a **12.9%** reduction in carbon emissions

Management Guidelines

Material Topics	Strategy	2025 Target	2025 Result	Target met	2026 Target	Medium- to Long-Term Goals (2030)
Sustainable Manufacturing	Maximize resource efficiency and actively introduce recycled and circular materials	Use of recycled and circular materials in products reaches 15%	Use of recycled and circular materials in products reached 80%	●	Use of recycled and circular materials in products reaches 60%	Use of recycled and circular materials in products reaches 100%
R&D Innovation	Transformation and added value	Achieve a cumulative total of more than 14,700 patents worldwide	Around 770 new patents approved worldwide, bringing the cumulative total to 15,348	●	Achieve a cumulative total of more than 15,000 patents worldwide	Achieve a cumulative total of more than 15,000 patents worldwide
		Launch the 3.5-generation PLP production line at the Tainan site, introduce FOPLP (Fan-Out Panel-Level Packaging) technology, revitalize older-generation TFT-LCD production lines, and expand into the semiconductor supply chain	Offered large-size 700 × 700 mm metal-based substrate packaging to enhance the competitiveness of AI, communications, and automotive RF/microwave chips and drive industrial upgrading	●	Continue PLP mass production	Expand production capacity and proceed with mass production
Supply Chain Management	Value co-creation	Conduct oversight and management based on suppliers' targets	Key suppliers achieved a 12.9% reduction in carbon emissions compared with 2020	●	Conduct oversight and management based on suppliers' targets	Carbon reduction of 20% or greater by key suppliers compared with 2020
		90% or more of all medium- and high-risk suppliers handling 3TG receive dynamic qualified smelter certification	90.25% or more of all medium- and high-risk suppliers handling 3TG received dynamic qualified smelter certification	●	90% or more of all medium- and high-risk suppliers handling 3TG receive dynamic qualified smelter certification	Continue to implement responsible procurement and due diligence to ensure that products meet conflict-free requirements
		98% or more of all medium- and high-risk suppliers complete cobalt and mica inventories	100% of all medium- and high-risk suppliers completed cobalt and mica inventories	●	98% or more of all medium- and high-risk suppliers complete cobalt and mica inventories	
		ESG post-audit corrective action implementation rate of 85% or more among high-risk suppliers	ESG post-audit corrective action implementation rate of 100% among high-risk suppliers	●	ESG post-audit corrective action implementation rate of 85% or more among high-risk suppliers	ESG post-audit corrective action implementation rate of 85% or more among high-risk suppliers
		60% or more of key suppliers participate in ESG capability enhancement compared with 2023	66% of key suppliers participated in ESG capability enhancement compared with 2023	●	60% of key suppliers participate in ESG capability enhancement compared with 2023	100% of key suppliers participate in ESG capability enhancement compared with 2023
Customer Relationship Management	Improve satisfaction and strengthen customer trust	Customer satisfaction achievement rate of over 95%	Customer satisfaction achievement rate of 97.4%	●	Customer satisfaction achievement rate of over 95%	Customer satisfaction achievement rate of over 98%

3.1 / R&D Innovation

GRI 2-23、2-24、2-25、203-2

In keeping with its "More than Panel" business philosophy, Innolux has continued the organizational restructuring initiated in 2023, focusing on two core domains: Display and Non-Display. While further strengthening its core display technologies, the Company is also expanding into semiconductors, smart healthcare, and smart mobility, driving a dual-track transformation that enhances market competitiveness and resilience for sustainable development.

In 2025, rising global trade barriers and geopolitical uncertainty affected the pace of the display industry. In the first half of the year, brand customers adopted defensive inventory-building strategies to mitigate tariff and supply chain risks. Although this temporarily boosted shipment momentum, it also brought forward demand that would traditionally have emerged in the second half of the year, placing pressure on the industry to adjust product inventories. On the supply side, however, the industry demonstrated unprecedented resilience and discipline. Following the closure of older production lines and the consolidation of capacity, major panel makers implemented strict, demand-driven production strategies, successfully stabilizing prices amid demand fluctuations. As a result, the industry's mindset has undergone a structural shift: from the previous scale-driven pursuit of market share to a stronger focus on improving business fundamentals and safeguarding profitability.

In terms of the competitive landscape, geopolitical factors and differences in national industrial policies have led to divergent development paths across markets. Supported by government subsidies for high-tech industries and strong domestic demand, Chinese manufacturers have leveraged the scale advantages of G8.5 to G10.5 flat panel production lines and now hold significant influence in the standard product market. In response to the rapid expansion of Chinese panel makers, other players have shifted toward differentiated strategies. Korean manufacturers have fully redirected their focus to high-end display technologies such as OLED; Taiwanese manufacturers are increasing their presence in high-specification IT panels while actively seeking breakthroughs using emerging technologies such as Micro LED; and Japanese manufacturers, despite a declining share due to cost factors, continue to defend niche markets such as high-end automotive and medical applications. Under the pressure of global overcapacity, industry consolidation and a focus on niche markets have clearly become key to survival.

Although supply chain restructuring and China+1 deployment remain ongoing challenges, technological innovation is expected to inject new momentum into the industry. As AI edge computing matures, the replacement cycle driven by AI PCs and AI smartphones will fuel robust demand for energy-efficient panels with high refresh rates. At the same time, smart cockpits have become firmly established, powering a trend toward larger and multi-screen automotive displays and making automotive panels a stable second pillar of profitability for the industry.

Overall, the display industry is expected to move along a path of stable shipment volume and rising prices, accelerating its transition toward higher value-added applications. The outlook remains cautiously optimistic.

Display Technologies

Innolux is advancing its transformation toward diversified and high value-added applications. The Company continues to mature and commercialize core technologies such as our InnoGallery, Micro LED, and LCD ePaper displays. Innolux is also expanding the application of its technologies beyond traditional display domains, engaging with strategic partners to develop smart health-related products. At the same time, the Company is transforming into a comprehensive service provider of high-end 3D display solutions and actively increasing its market exposure.

Semiconductor Packaging

Innolux is committed to advancing into the advanced packaging industry by introducing Fan-Out Panel Level Packaging (FOPLP) technology and leveraging the strengths of its TFT-LCD production lines to tap into high-growth markets such as high-performance computing, 5G communications, AI, and automotive RF/microwave chips.

In 2025, Innolux expanded the production capacity of its 3.5-generation PLP line in Tainan, offering large-size 700 × 700 mm metal-based substrate packaging with technical advantages such as low signal loss, high density, and excellent thermal dissipation. These solutions have increased the competitiveness of our AI chips, communications chips, and automotive chips.

By giving our legacy assets new life through FOPLP technology, Innolux is strengthening partnerships across the semiconductor supply chain while further extending its industry value chain and driving corporate transformation. This initiative aims to establish a foothold in the blue-ocean market of semiconductor packaging and lay a solid foundation for the diversification of our operations.

Smart Healthcare

By integrating AI technologies, Innolux is accelerating the development of innovative applications such as smart chemotherapy drug dispensing equipment, medical image processing, and health monitoring solutions. These technologies enhance the precision and operational efficiency of chemotherapy drug preparation, further strengthening Innolux's presence and influence in the smart healthcare market.

Smart Mobility

Innolux applies glass MEMS-based infrared thermal imaging devices to automotive driver assistance systems, significantly improving driving safety. The Company is also expanding its development of smart cockpit display technologies and in-vehicle applications such as LCD windows, rear-view mirrors, and sun visors.

Low-Carbon Manufacturing and Green Technologies

Innolux is committed to low-carbon manufacturing and smart energy-saving initiatives. The Company continues to optimize Tcon IC energy consumption and LCD Source PCB thickness to reduce material use, improve energy efficiency, and lower the carbon footprint of its products.

Innolux also promotes the recycling and reuse of plastic, aluminum, and iron components to strengthen the circular economy. Looking ahead, the Company plans to expand the application of Micro LED technology to transparent displays, splicing screens for use in advertising, and wearable devices, while strengthening PFAS control and sustainable material recovery. Innolux will continue to advance green technology innovation, ensuring that technological development and sustainable operations progress in parallel.

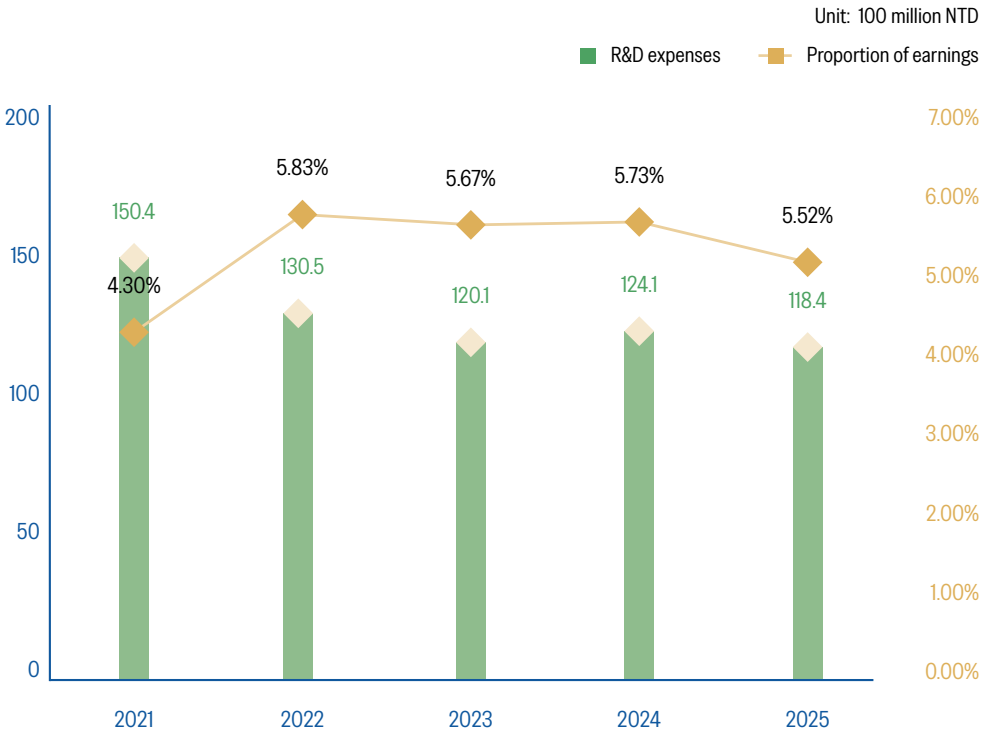
To support technological development, Innolux invested NT$11.8 billion in R&D expenditures in 2025. The Company continues to develop high-value areas such as PLP advanced packaging, AR/VR, sensors, antennas, and new energy applications, while closely monitoring global market conditions and accelerating the diversification of its industrial structure.

3.1.1 Technological Innovations and Breakthroughs

Technology R&D and Product Portfolio

In the face of intensifying competition and rapid technological advancement in the panel industry, Innolux is continuing to invest in LCD technology R&D and innovation as a range of frontier technologies emerges. These efforts enable the Company to maintain its technological leadership and develop products for niche markets. Innolux's R&D division is organized into technology development and product development units. In 2025, the Company employed 3,273 R&D personnel, accounting for 11.32% of its global workforce. Total R&D investment reached approximately NT$11.84 billion, representing 5.22% of 2025 revenue. Innolux remains committed to expanding its panel technology applications, ensuring that it maintains strong competitiveness in the market.

R&D expenditures in recent years



Display

Large-size smart solutions

Product	Technology Highlights	
85-inch 4K AI Interactive Digital Art Display	The digital art display features special anti-glare and anti-reflection treatment, effectively reducing the impact of ambient light and creating a paper-like visual texture. Viewers can enjoy clear images from different angles. The AI Interactive Digital Art Display also uses intelligent AI-based human-image interaction technology. Through sensors that detect viewers' voice commands and connect with AI computing models, it can instantly generate intelligent dynamic images.	
Micro LED Mirror Display	This energy-efficient display features exceptional performance, including ultra-high brightness of 2,000 nits, a wide color gamut of NTSC 114%, and ultra-high reflectivity. It provides excellent mirror reflectivity and ultra-bright image quality with low power consumption, significantly ameliorating common issues in commercially available mirror displays such as color distortion, brightness loss, and limited reflectivity.	
Transparent Micro LED Display	Featuring Innolux's proprietary transparent display technology, this display offers high brightness, high transparency, high clarity, high resolution, and a wide color gamut of NTSC 120%. Its transparent Micro LED display technology breaks through size limitations and supports flexible splicing according to customized requirements, meeting the needs of a diverse range of application fields.	

Non-display

Smart mobile solutions

Product	Technology Highlights	
14-inch QHD+ Ultra-Light and Thin Panel	Combining a lightweight form factor with vivid color performance, this panel features 100% DCI-P3 wide color gamut technology. Tailored for the mobile business market, it is designed to meet the mobile work needs of students and business professionals.	
Glasses-Free 3D Mobile Medical Diagnosis Platform	In the past, 3D images captured through computed tomography (CT) and magnetic resonance imaging (MRI) had to be manually reconstructed by radiologists, a process that often took several days. Innolux has developed a breakthrough AI image segmentation platform that can reconstruct a 3D lung model in just five minutes. For brain and spinal surgical imaging models, the platform achieves an accuracy rate of 85% to 90% and enables real-time visualization through glasses-free 3D display technology. It also supports single-user eye tracking and touch operation, providing physicians with a highly intuitive interactive interface.	
AI Floating Virtual Guide	Combining advanced technology with innovative design, this solution features Innolux's proprietary floating image technology, which allows images to appear vividly in mid-air. It is also equipped with AI voice recognition technology to provide natural and fluent voice-based interactions, making the experience more human-centered and engaging while delivering a new form of immersive interaction.	
AI Smart Transparent Translator	Co-developed with partner GIO Optoelectronics, this solution features a transparent Mini LED display with high transmittance, high brightness, and strong durability. It also integrates a real-time AI translation system and interactive display service functions.	

Smart healthcare

Product	Technology Highlights	
Smart Chemotherapy Dispensing Robotic Arm	Co-developed with Chi Mei Hospital, this robotic arm enhances the precision and efficiency of chemotherapy drug dispensing. It features seven key advantages: safety, precision dispensing, traceability management, improved operational efficiency, reduced manpower requirements, lower drug waste, and strengthened infection control. The system has successfully dispensed more than 1,000 chemotherapy prescriptions, covering approximately 70% of the hospital's chemotherapy prescription needs.	

Advanced packaging

Product	Technology Highlights	
CoPoS-R RDL substrate	Innolux uses its panel production lines for IC packaging, taking advantage of the higher utilization rate of rectangular substrates compared with circular wafers to achieve a utilization rate of 95%. Using the industry's largest G3.5 FOPLP glass substrate, which is seven times the area of a 300 mm glass wafer, Innolux has developed mid-level to high-end semiconductor packaging with fine line widths. In combination with Innolux's patented anti-warp technology, the RDL structure can reach more than 10P10M, making it particularly suitable for large-size multi-chip packages such as server and HPC/AI chip applications. In addition, the thin profile and fine-line features of this RDL substrate make it well-suited for thin SiP applications where multiple functional chips are integrated into a single package, such as smartwatches, AR glasses, Bluetooth earphones, and other mobile devices.	

Low-Carbon Processes and Energy Innovation

Innolux has fully introduced low-carbon manufacturing and smart energy-saving technologies to reduce carbon emissions from manufacturing and improve energy efficiency, ensuring that its production activities are aligned with its sustainable development goals. The Company is utilizing increasingly effective energy-saving projects across its air conditioning, air compression, production, management, and lighting systems, and has adopted smart energy management systems to drive data-based energy-saving strategies. Between now and 2030, Innolux will continue investing in material innovation and environmental management, with a focus on developing low-carbon process technologies. For NPVA LCD products, the Company is developing UV2-less liquid crystal materials to reduce energy consumption in the UV2 process by more than 50%. In addition, Innolux is improving LCD panel transmittance to lower power consumption in end products and increase overall energy efficiency. The Company is also introducing PI-less liquid crystal materials to eliminate the use of alignment layers in conventional LCD processes and reduce electricity consumption during production. By transforming low power consumption, long service life, and sustainable design into core product value propositions, Innolux is moving beyond competition based solely on specifications and price. This green competitiveness will serve as a key differentiator in securing orders from leading international brands and large-scale government projects, further strengthening the Company's market position and opening up green business opportunities.

Product Market Share

According to Omdia statistics, Innolux's market share of the following products in 2025 is as follows:

Large-screen smart solutions business group

Product (by application)	Global Market Share	Global Ranking
LCD TV panels	15.2%	3
LCD display panels	4.7%	6

Smart mobile solutions business group

Product (by application)	Global Market Share	Global Ranking
Notebooks (excl. tablets)	17%	3
Tablet display panels	10.3%	3
Smartphone display panels	1%	6

3.1.2 Intellectual Property Management

Strengthening our Competitive Advantage and Advancing Sustainable Development

The Company's annual intellectual property management policy and objectives are based on its disclosed operational strategies and goals as well as the ESG issues of concern identified through stakeholder surveys. Key priorities include closely aligning IP deployment in core technologies with global market and product development trends; reviewing information security strength through ISO 27001 certification; inventorying and preparing for external risks and internal key IP assets to address potential IP disputes or create value; continuously enhancing employees' IP knowledge; providing a competitive patent reward system; and maintaining TIPS AA-level certification to ensure the quality of the Company's IP management.

In the environmental domain, Innolux promotes green manufacturing and enhances energy-saving synergies through the development of low-carbon processes and its pioneering Fan-Out Panel Level Packaging (FOPLP) technology. In the social domain, the Company has increased its focus on smart healthcare and safe mobility technologies by developing AI drug dispensing systems and automotive sensors, while fulfilling its social responsibility through industry-academia collaboration and IP sharing. In the corporate governance domain, Innolux has integrated its patent deployment with its operational strategy through data-driven IP management and risk control mechanisms, comprehensively strengthening the Company's sustainable competitiveness.

Intellectual Property Goals

1. Continue to expand the global intellectual property portfolio.
2. Strengthen information security and continue preparations for ISO 27001 certification.
3. Conduct intellectual property inventories to strengthen patent commercialization and applications.
4. Enhance employees' intellectual property knowledge and improve their patent application capabilities.
5. Refine intellectual property management mechanisms to increase the value conversion benefits of patents.

Certificate Highlight

In 2024, InnoLux successfully achieved the TIPS (Taiwan Intellectual Property Management System) AA-level certification (Certificate No.: TIPS-2024-cert.-003), which is valid through December 31, 2026.

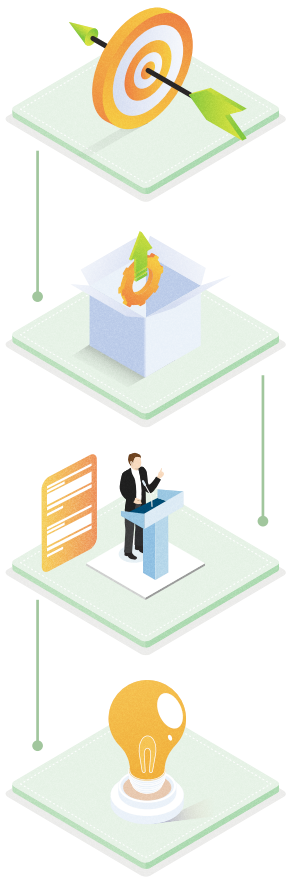


Medium-to-Long-Term Commitments and 2030 Vision

In the short term, Innolux will continue to strengthen its patent portfolio in core technologies, augment employees' intellectual property knowledge, and effectively respond to IP disputes and promote commercialization outcomes through robust ISO 27001 information security management and comprehensive IP inventory and maintenance.

In the long term, Innolux will align potential business opportunities, innovative R&D activities, and IP deployment to ensure that R&D outcomes are closely connected to market opportunities and effectively transformed into Company-owned intellectual property. By building strong technology and IP barriers, the Company will further strengthen its competitive advantage and ensure sustainable development.

Intellectual Property Management Process



1 Targets

Phase 1: Growth in the number of patents
Phase 2: Focus on patent quality and continued accumulation of effective patents

2 Resource Provision

Strengthen development of key technologies, reduce operational risks, and strengthen IP deployment

3 Management Systems

To implement patent proposal reviews and patent acquisition processes, and provide appropriate incentives
Relevant procedures and standards:
Taiwan Intellectual Property Management System (TIPS AA)
Patent Management Regulations

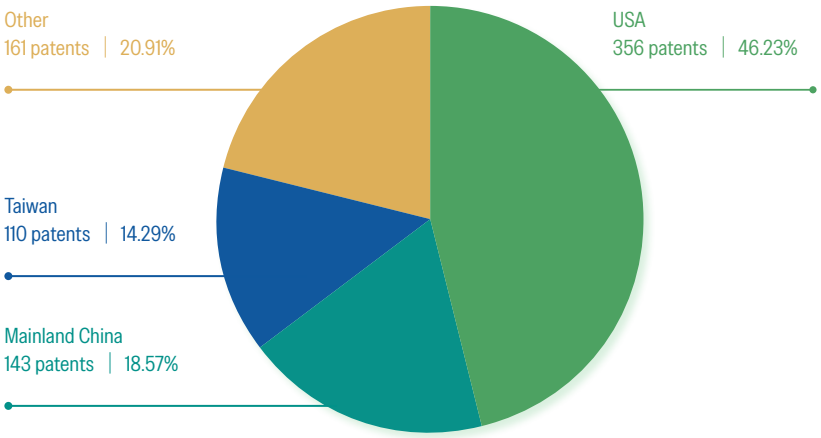
4 IP Value Creation

Increase corporate competitiveness, raise the threshold for industry competition, and strengthen corporate image

Patent Portfolio and Strategy

Innolux has built a comprehensive framework for IP creation and management through its patent management systems and mechanisms, broad-based IP education and training, in-depth guidance on patent deployment for key projects, well-established patent proposal review and incentive system, and post-approval evaluation and application of approved patents. This framework strengthens the Company's ability to manage and leverage its patent portfolio.

In 2025, Innolux was granted 770 patents worldwide, of which U.S. patents accounted for approximately 46% and China patents approximately 19%. To date, Innolux has accumulated 15,348 patents globally, with U.S. patents accounting for approximately 28% and China patents approximately 26%.



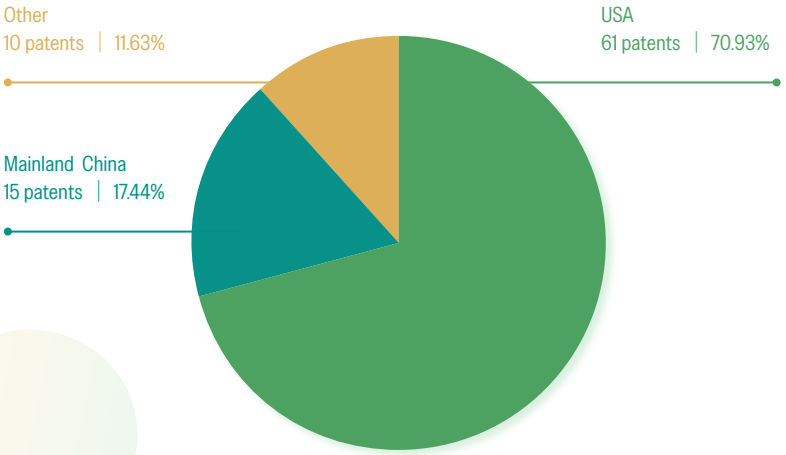
Patent Proposal and Incentive System

Innolux systematically enhances patent quality and management effectiveness through its Patent Management Regulations. The Patent Review Committee employs a review mechanism to draw on the insights of professional managers regarding technology trends and market information, allowing the Company to evaluate the most appropriate patent application strategies and jurisdictional deployment. Proposals that pass the review are supported for patent filing. The Company also provides incentives to inventors in recognition of their contributions, thereby laying a solid foundation for long-term patent competitiveness and implementing its strategic IP deployment.

Green Product Patents and Technology Applications

Innolux continues to strengthen its capabilities in low-carbon manufacturing and fulfill its corporate sustainability commitments through a strategic approach to intellectual property assets. By strengthening the technological moat of green products, the Company improves resource efficiency and environmental compatibility, ensuring that its products effectively reduce their impact on ecosystems throughout their life cycles.

According to the green patent classification standards of the World Intellectual Property Organization (WIPO), Innolux was granted 86 green technology patents worldwide in 2025, bringing the cumulative total to 678. This demonstrates the Company's achievements in R&D and patent protection in the field of low-carbon technologies.

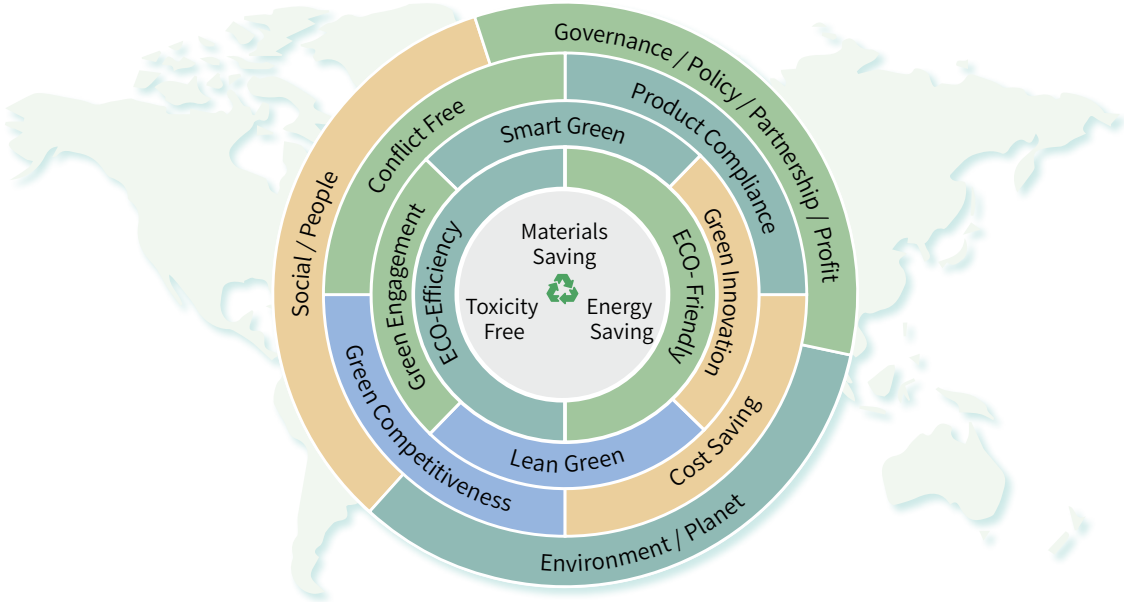


3.2 / Sustainable Manufacturing

GRI 2-23、2-24、2-25、302-5、403-7、416-1

As the world moves steadily toward net-zero carbon emissions, the sustainability issues highlighted by COP30 remind companies of the need to respond more proactively to climate change and environmental impacts, and to institutionalize sustainability practices to ensure that actions are effectively implemented.

Guided by the principles of environmental protection, social responsibility, and corporate governance, Innolux advances its sustainable product policy from initial product design onwards. The Company integrates product lifecycle management into its product design with a focus on energy savings, material use reduction, non-toxicity, and low carbon emissions. Innolux promotes both eco-efficiency and eco-friendliness, encourages the use of renewable energy, renewable materials, and recycled materials, and prohibits the use of banned or restricted chemical substances and conflict materials, thereby enhancing the ecological efficiency and environmental compatibility of its products. Through intelligent green management and technological innovation, Innolux strengthens the green competitiveness of its products, moves toward net-zero carbon emissions, and creates a sustainable future for humanity and the planet.



Sustainable Products and Services

The Financial Supervisory Commission of Taiwan, together with the Ministry of Environment, the Ministry of Economic Affairs, and other government agencies, issued the Reference Guidelines for the Recognition of Sustainable Economic Activities with reference to the EU Taxonomy. The second version of the Guidelines includes flat panel displays within its scope.

Innolux reviewed its major economic activities in accordance with the technical screening criteria for panel and component manufacturing to determine whether they qualify as sustainable economic activities. In 2025, Innolux's major operational activities were all aligned with the Reference Guidelines for the Recognition of Sustainable Economic Activities.

Criteria for Sustainable Economic Activities		2025 Evaluation Results
1. Substantial contribution to any of the environmental objectives		
Economic Activities	Technical Screening Criteria	
General economic activities – flat panel displays	The greenhouse gas emissions per unit of input substrate area over the past year (Scope 1 + Scope 2) meet the following criteria: (1) ≤ 0.600 tCO_2e/m^2 for G3.5 and below; (2) ≤ 0.150 tCO_2e/m^2 for G4 and above.	99.8% compliant
2. No significant harm to the six environmental objectives		100% compliant
3. No significant harm to social safeguards		100% compliant
Evaluation Results		Compliant

3.2.1 Sustainable Product Policy

In 2025, Innolux continued to implement its Sustainable Product and Material Policy, strengthening the green competitiveness of its products and promoting sustainable operations through ESG-oriented design and manufacturing transformation.

Signed and enacted by the Chairman and CEO, the policy reaffirms the Company's commitment to using product lifecycle management to achieve energy conservation, carbon reduction, resource sustainability, and non-toxic design. It also promotes material circularity, prioritizes the selection of third-party certified eco-friendly materials, and strictly prohibits the procurement of conflict minerals and illegally sourced timber, demonstrating Innolux's commitment to environmental stewardship and social responsibility through concrete action.

Innolux incorporates low-carbon design into its product development strategy, building on the three established principles of material reduction, energy conservation, and non-toxicity to support the achievement of net-zero carbon emissions. To reduce energy and resource consumption and minimize environmental impact, the Company gives priority to renewable materials, recycled materials, and reclaimed materials, while excluding banned and restricted chemical substances.

Sustainable Product and Material Policy





Low-carbon green product design framework



ECO-Efficiency

Reduce	Efficiency
Reduce energy and resource use Dematerialization (Reduce unnecessary waste)	Improve energy efficiency Improve resource efficiency(resource productivity)

ECO- Friendly

Type	Recycle	Safe
Low environmental impact Renewable energy (green electricity) Renewable materials	Recyclable materials Recycled materials (PCR[Note 1]/PIR[Note 2]/OBP[Note 3])	Banned / restricted chemical substances

Note1: PCR: Post-Consumer Recycled
Note2: PIR: Post-Industry Recycled
Note3: OBP: Ocean-Bound Plastic

Employee Sustainability Education

In 2025, Innolux completed 12 courses related to product compliance, certification, and systems management, with a cumulative total of 4,164 participants and 2,082 learning hours. These efforts demonstrate the Company's commitment to sustainable development and environmental responsibility.

Innolux also introduced two new courses: Introduction to Sustainable Materials and Green Product Design Management and Introduction to Low-Carbon Product Design. With a completion rate of 94.3%, the courses cover core topics such as sustainable material selection, product lifecycle carbon inventory, circular design principles, and international regulatory requirements.

These courses help employees in R&D, quality assurance, procurement, and sales develop the knowledge and capabilities needed for sustainable product development. They also enable the Company to build competitive advantages by anticipating future regulations and the increasing low-carbon product requirements of global customers.

3.2.2 Product Sustainability and Compliance Management

Innolux continues to advance product responsibility management to ensure that its products comply with the legal and regulatory requirements of specific markets, providing customers with safe and compliant choices. The Company has also established a standardized hazardous substance management system to ensure full traceability and control from raw material procurement to production and manufacturing. These efforts clearly demonstrate Innolux's firm commitment to corporate responsibility and sustainable compliance.

Hazardous Substance Management and Reduction

Hazardous substance management is an ongoing effort that integrates regulatory trends, technological developments, and current supply chain conditions. Through systematic reviews of the materials we use and global regulatory developments, Innolux regularly updates its controlled substance operating regulations to ensure that its requirements remain specific, effective, and aligned with the latest regulations and customer expectations. In response to updates and trends in several international environmental regulations this year, Innolux strengthened its hazardous substance management and initiated key adjustment measures, including:

1. Introducing control items aligned with international trends: In response to the increasingly stringent restrictions and bans on PFAS (per- and polyfluoroalkyl substances), Innolux initiated material inventories, alternative feasibility assessments, and supply chain data reviews.
2. Monitoring developments in major global chemical regulations: This includes, but is not limited to, updates to the EU REACH Regulation and its Substances of Very High Concern (SVHC) list, updates to the Persistent Organic Pollutants (POPs) list, restrictions on LCPFCAs long-chain perfluorocarboxylic acids under the U.S. TSCA, and restrictions under China's list of key controlled new pollutants.
3. Expanding the scope of sustainable materials management: Innolux has expanded its management scope from conflict-free minerals to conflict-free materials, incorporating related materials into its controlled substances list, supplier commitments, and document review processes.
4. Extending management of international packaging material regulations: In keeping with packaging regulations in various countries regarding recycling rates and material disclosure requirements, Innolux has strengthened packaging compliance and traceability management.

Case Study: Elimination of the Hazardous Substance UV-328

In an active response to the global trend toward stricter control of persistent organic pollutants (POPs), Innolux continues to drive the elimination of the hazardous substance UV-328 from key polarizer materials. Although certain exemptions are provided under international regulations, including the Stockholm Convention and the EU POPs Regulation, Innolux demonstrates a strong sense of corporate responsibility by proactively responding to customer demand for products free from hazardous substances through product inventories and material substitution.

Through systematic management and supply chain collaboration, Innolux increases overall product safety and reduces potential impacts on ecosystems and human health.



Through these actions, Innolux ensures that its hazardous substance management system remains aligned with international standards, reduces environmental and supply chain risks, and meets customer expectations for sustainable materials and regulatory compliance.

Innolux reviews its Hazardous Substances Operating Regulations annually to reduce the use of hazardous substances.

2023

1. **Hazardous Substance Reduction**
   - Cobalt and mica included in conflict-free materials management
   - PFAS
   - REACH SVHC
   - Ban on mineral oil above 1,000 ppm
2. **Stricter Controls**
   - Battery regulation: Lead 100 ppm
3. **New Product Sustainability Requirements**
   - Extended producer responsibility requirements

2024

1. **Hazardous Substance Reduction**
   - Updates to the list of ozone-depleting substances
   - REACH Substances of Very High Concern
   - U.S. TSCA LCPFACs
   - France mineral oil restrictions for packaging materials
2. **Early Control**
   - POPs — Dechlorane Plus ban
   - PFAS-free control
3. **New Product Sustainability Requirements**
   - Recycled materials included in management scope
   - Battery regulation — battery labelling and EU Declaration of Conformity

2025

1. **Hazardous Substance Reduction**
   - REACH Substances of Very High Concern
   - Persistent organic pollutants: PFCAs C9–C21
   - China list of key controlled new pollutants
   - Packaging regulations
2. **Early Control**
   - PFAS-free control implementation
     a. New product levels
     b. Ban dates
   - UV-328
   - Packaging regulations — packaging material recycling requirements
3. **Product Sustainability Requirements**
   - Conflict materials control
     a. Expanded scope of conflict minerals
     b. Addition of copper, graphite(natural), lithium, and nickel
   - Packaging regulations — packaging material recycling requirements and implementation of extended producer responsibility

PFAS Project

Innolux places great importance on the environmental impacts of persistent organic pollutants and has included PFOS, PFOA, and PFHxS in its list of prohibited and restricted substances. Following the restriction proposal on PFAS issued by the European Chemicals Agency (ECHA), the Company launched a company-wide action plan. Through regulatory monitoring, supply chain material inventories, the establishment of a PFAS monitoring system, and the introduction of alternative technologies, Innolux is reducing the environmental and health impacts of persistent organic pollutants and gradually moving toward its PFAS-free goal, while ensuring alignment with international regulations and customer requirements.

The specific plan includes regulatory compliance control, source management in the supply chain, optimization of the product monitoring system, a PFAS classification management mechanism, and alternative materials evaluation. In accordance with the PFAS-free implementation schedule, Innolux completed the establishment of its PFAS implementation framework in 2024. In 2025, the Company implemented material classification and control policies to ensure that it achieves its phased PFAS-free control target in 2026.

Through year-by-year implementation, Innolux aims to reduce hazardous substance risks, enhance market confidence, and strengthen corporate competitiveness.



PFAS-free implementation timeline

EU Regulations

2023/2
EU announces the PFAS restriction proposal

2024/1/12、3/1、5/10、7/10、12/10
Regulatory Tracking
- Jan. The EU Risk Assessment Committee held a public consultation and proposed recommendations for implementing PFAS restrictions and bans
- Mar. The EU proposed a draft amendment to the POPs Regulation for PFOS
- May. The U.S. State of Maine began requiring mandatory PFAS content reporting for products
- Jul. The U.S. Congress proposed banning all non-essential uses of PFAS
- Dec. The EU planned detailed discussions on PFAS in electronic products and semiconductors in 2025

EU 2025 Decision Announcement (Continue monitoring regulatory developments)

2023 | 2024 | 2025 | 2026

Innolux Response

2023/3-5
Initiated assessment and material inventory

2023/4-6
Formulated implementation plan and launched supply chain survey

2023/8
- Controlled Substance Operating Regulations v.23
- Announced PFAS Free by 2026 Q1

2023/12/26
Promoted the initiative at Innolux Q4 Supply Chain Co-Learning Conference

2024/1-12
- Discussed PFAS-free alternative plans for product design and supply chain
- Established product PFAS query system
- Continued promotion of PFAS-free products through meetings and dialogue across business groups (BGs)
- Customer Feedback
- Continuous Education & Training
- Dec. Phase Two Supply Chain Assessment

2025/1
- Supply chain response feedback
- Continued discussion of PFAS-free alternative plans for product design and supply chain
- Innolux scheduled March–December 2025 as the transition period (declaration allowed + ban implemented)

2026 Q1
PFAS Free

3.2.3 Product Compliance and Standard Certifications

Innolux continues to promote various product certifications to ensure that its products comply with the legal and regulatory requirements of specific markets, providing customers with safe and compliant choices. At the same time, the Company strictly requires QC 080000 Hazardous Substance Process Management certification and has established a standardized hazardous substance management system to ensure full traceability and control from raw material procurement to production and manufacturing. These efforts clearly demonstrate Innolux's firm commitment to corporate responsibility and sustainability-driven compliance.

International Standards and Certifications-QC 080000

Innolux is committed to reducing hazardous substances and ensuring that its products comply with global environmental regulations and customer requirements. The Company has successfully introduced and complied with the IECQ QC 080000 Hazardous Substance Process Management (HSPM) international standard.

The purpose of this system is to systematically manage hazardous substances contained in products from the source, ensuring that each stage of product design, supply chain management, and manufacturing complies with the latest international regulations, such as RoHS and REACH, as well as customers' stringent requirements. In doing so, Innolux advances its goals of environmental responsibility and product compliance.

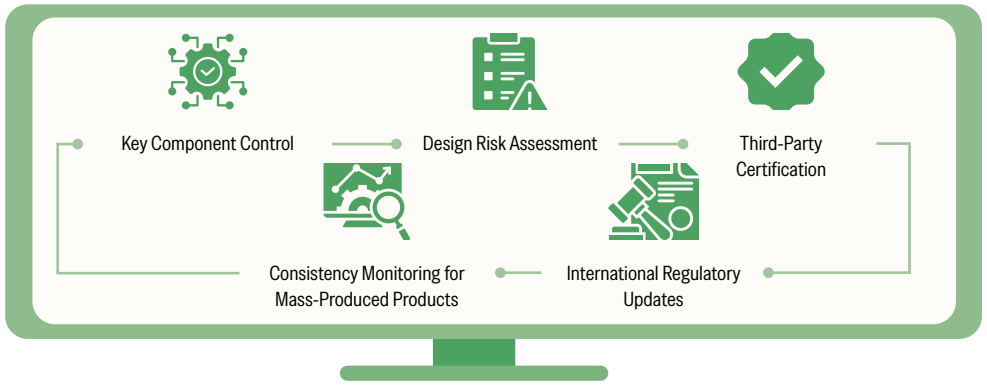
The Company continues to refine its management practices and, in 2025, once again passed a rigorous third-party verification audit, successfully extending the validity of its certificate to 2028. This ongoing commitment and practice demonstrate Innolux's determination in environmental protection and regulatory compliance, while also strengthening its competitive advantage in the green supply chain.

QC 080000 certification successfully renewed in 2025.



Product Certification

Innolux has established a comprehensive safety design and compliance system for its products, ensuring product safety, consistency in safety compliance, and alignment with customer requirements in global markets. Product design strictly follows international and regional standards, including the International Electrotechnical Commission (IEC) safety standards, electromagnetic compatibility (EMC) regulations, relevant product safety directives, and market-specific regulations. Product quality and safety are further ensured through rigorous process controls. In 2025, Innolux completed 253 global product safety certifications and conducted 1,039 product safety compliance reviews.



Product Certification Compliance

Global Safety Certification System			
CE	Complies with the requirements of the Low Voltage Directive (LVD) and Electromagnetic Compatibility (EMC) Directive.	FC	Complies with the radiation standards under Part 15 Subpart B.
CCC	Tested in accordance with GB standards and required as a mandatory regulatory certification system for the Chinese market.	UL	Tested in accordance with ANSI/UL 62368-1 to assess safety items such as electrical safety and flame resistance.
	Covers both safety and EMC requirements.	IECEE	Complies with IEC 62368-1 and serves as the basis for global mutual recognition.

3.2.4 Product Low-Carbon Design and Green Optimization

Green design plays an important role in environmental sustainability: by reducing resource consumption at the source and improving energy efficiency, it lowers the carbon footprint of both products and processes while also reducing operating costs. While pursuing technological innovation, Innolux also upholds its commitment to environmental protection.

Product Low-Carbon Design

Material-Saving Initiative Case 1

Project

Packaging material optimization

Actions

By replacing traditional EPO packaging boxes, which have a carbon footprint of 49.79 kg CO_2e per box, with new EPS eco-friendly boxes with a lower carbon footprint of 38.3 kg CO_2e per box, Innolux achieved a significant reduction in carbon emissions. As of 2025, 816 new EPS boxes had been used.

Carbon Reduction

Carbon emissions **reduced by 9,735kg CO_2e**

Before

EPO box



Carbon emissions : 49.79kg CO_2e

After

EPS box



Carbon emissions : 38.3kg CO_2e

Material-Saving Initiative Case 2

Project

Replacing metal backplates with Mylar insulating sheets

Actions

To achieve product lightweighting, Innolux introduced Mylar insulating sheets to replace the original metal backplate, reducing the weight of each module by 0.195 kg. The design change successfully delivered multiple benefits, including significantly lower material procurement costs, a 0.195 kg weight reduction per module, a 6.1% decrease in module weight, and a carbon reduction rate of up to 96% per product unit.

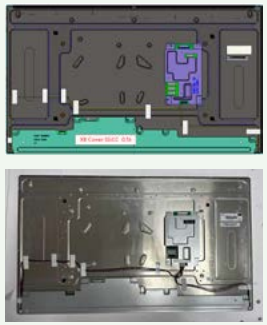
Carbon Reduction

Carbon emissions **reduced by 163kg CO_2e**

Before (applied to 31.5-inch model)

SGCC 0.5t + Mylar 0.1t

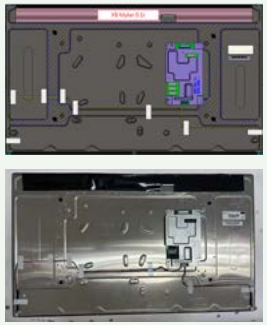
0.2Kg



After (applied to 32-inch model)

Mylar 0.1t only

0.005Kg



Note: European Commission DG TREN Preparatory studies for Eco-design Requirements of EuPs Lot3 Personal Computers (desktops and laptops) and Computer Monitors Final Report (Task1-8)

Energy- and Material-Saving Initiative Case

Project

Optical architecture design optimization

Actions

By optimizing the optical architecture design and reducing the thickness of the diffuser sheet by 85 μm, a decrease of 40.5%, Innolux increased the efficiency of the backlight module by 10.6%. In 2025, this improvement reduced carbon emissions by approximately 148,973 kg CO_2e. While meeting the same product brightness specifications, the improvement effectively reduced the required energy consumption and delivered significant product energy-saving benefits.

Carbon Reduction

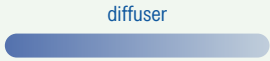
Carbon emissions **reduced by 148,973kg CO_2e**

Before: 7.27 W

Film structure: prism+diffuser+diffuser



Lower diffuser sheet thickness: 210μm

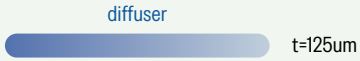


After: 6.50 W

Film structure: prism+prism+diffuser



Lower diffuser sheet thickness: 125μm



Green Optimization

Intelligent Product Carbon Footprint Management System

Innolux is continuing to optimize its Intelligent Product Carbon Footprint Management System, advancing digital transformation and the development of a sustainable product design platform. Through data-driven intelligent analysis, the system enables real-time monitoring of carbon emissions at each stage of the product life cycle and comprehensively evaluates environmental performance across raw material procurement, manufacturing, transportation, and distribution.

By analyzing product carbon emissions from design to delivery, the system supports the optimization of resource allocation. Innolux has also introduced the Product ESG Performance Indicator Management System, which is built on the core concept of digital transformation and sustainable development. ESG evaluation mechanisms are incorporated from the product design stage, while the United Nations Sustainable Development Goals (SDGs) are integrated to embed environmental performance, responsible circularity, and product compliance and supply chain management requirements throughout the entire product life cycle.

This year, Innolux added an ESG self-assessment mechanism and made improvements to its supplier disclosure of recycled material information, including distinctions by type, environmental attributes, and application, such as PCR (post-consumer recycled), PIR (post-industrial recycled), and regrind materials. For conflict materials, the system discloses the proportion of qualified smelters. In supply chain partner management, environmental labels such as EPEAT and TCO have also been incorporated, with compliance requirements upgraded from voluntary to mandatory. These enhancements help strengthen the competitive advantages of Innolux's products, improve the linkage of product ESG performance indicators, and increase transparency in product traceability.

Product ESG Performance Indicator Management System



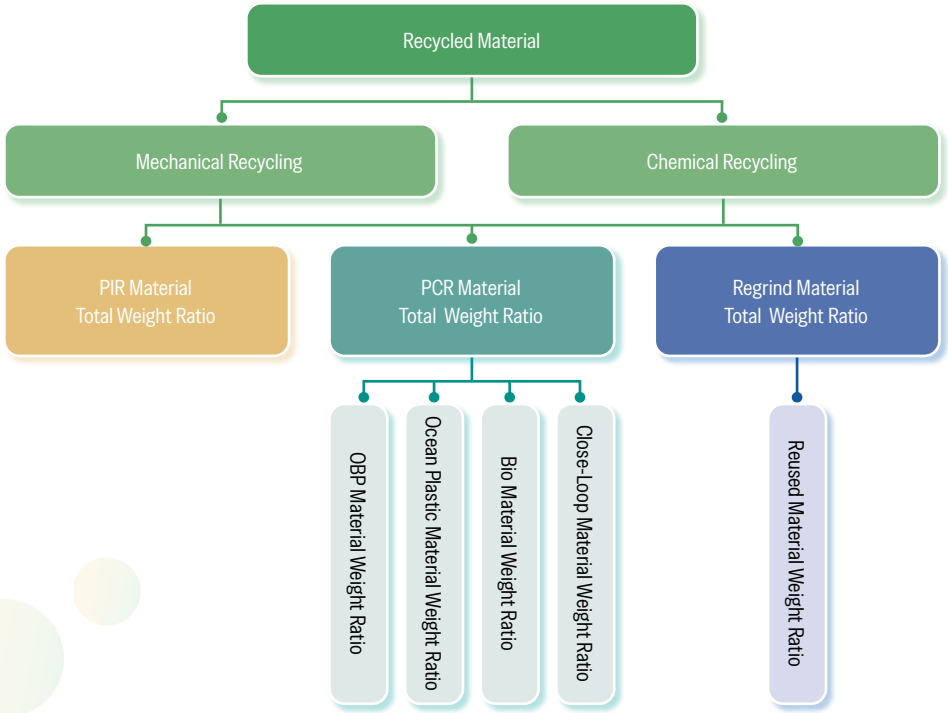
Integrated Management System for Recycled Materials

Innolux continues to promote the use of recycled materials and has further expanded the functions of its Product Sustainability and Compliance Intelligent Platform (PSCIP). Through material homogeneity surveys provided by the supply chain, the platform systematically tracks and manages the current use of recycled materials.

In 2025, the platform successfully established recycled material information for 17,248 part numbers, an increase of 8,524 compared with 2024. This enables Innolux to respond promptly and effectively to customer requirements regarding recycled content in products.

Moving forward, Innolux will continue to strengthen the PSCIP system's functions by further distinguishing the sources of recycled materials. This includes identifying recycling types, expanding source classifications, adding ocean-bound plastic categories, and establishing verification requirements for different types of recycled plastics to ensure that testing methods for recycled materials comply with applicable standards. Overall, the PSCIP platform enables fully automated, highly efficient, and tightly scheduled sustainable supply chain management. It not only significantly improves operational efficiency and reduces compliance risks, but also helps other members of the supply chain understand trends in recycled material use and grow together with Innolux.

Recycled Material Categories in the PSCIP System



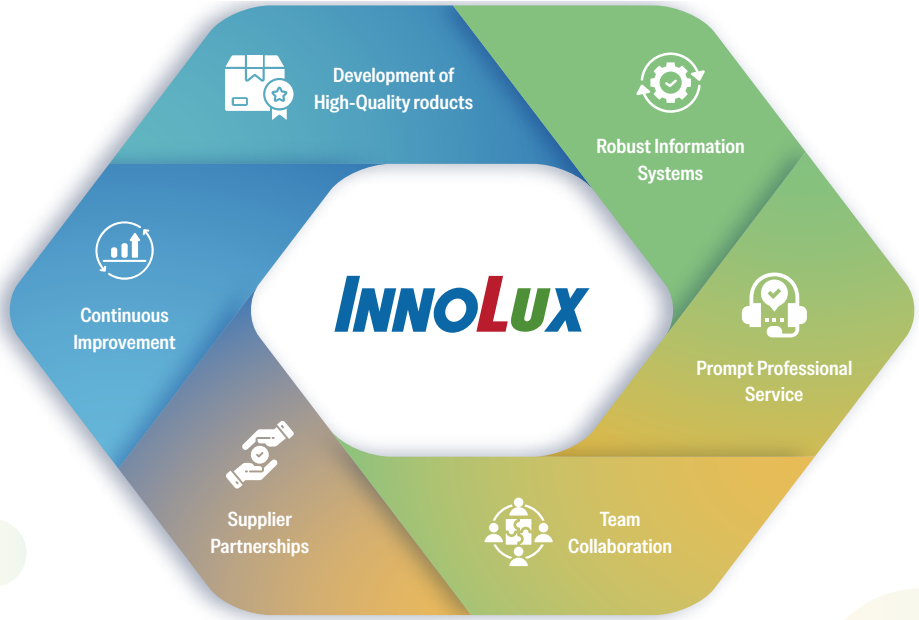
3.3 / Client Relationships

GRI 418-1

Innolux places customer value at the center of its business. By accurately identifying market needs and making effective use of intelligent tools, the Company provides high-quality products and services that fulfill the demand for integrated hardware and software solutions. Through mutually beneficial collaboration, Innolux works with clients to build long-term, stable partnerships.

Customer Satisfaction





3.3.1 Client Quality Management

Committed to realizing its "More than Panel" vision, Innolux is transforming from a traditional panel manufacturer into a diversified business model centered on displays, advanced packaging, and sensors. The Company focuses on advanced semiconductor packaging, automotive applications, medical displays, and smart applications. Through technological innovation and cross-disciplinary collaboration, Innolux continues to increase the share of high value-added products in the company's inventory.

Innolux has established quality management systems tailored to different product categories and ensures their effective operation and continuous improvement through the Plan-Do-Check-Act (PDCA) cycle.

In addition to maintaining its existing quality management systems, the Company has obtained manufacturing and sales permits under the Medical Device Quality Management System (QMS) standards for its medical products. Innolux also plans to introduce the Unique Device Identification (UDI) system for medical devices in 2026 to meet the needs of a diverse range of applications and fulfill client expectations.

Innolux's Quality Policy

Collaborative synergy, empowering innovation

Leveraging smart technologies to enhance technical and managerial strengths

Partnering with key stakeholders to deliver all-round solutions

Driving continuous improvement to achieve excellence in quality

Creating shared value with clients



3.3.2 Client Service

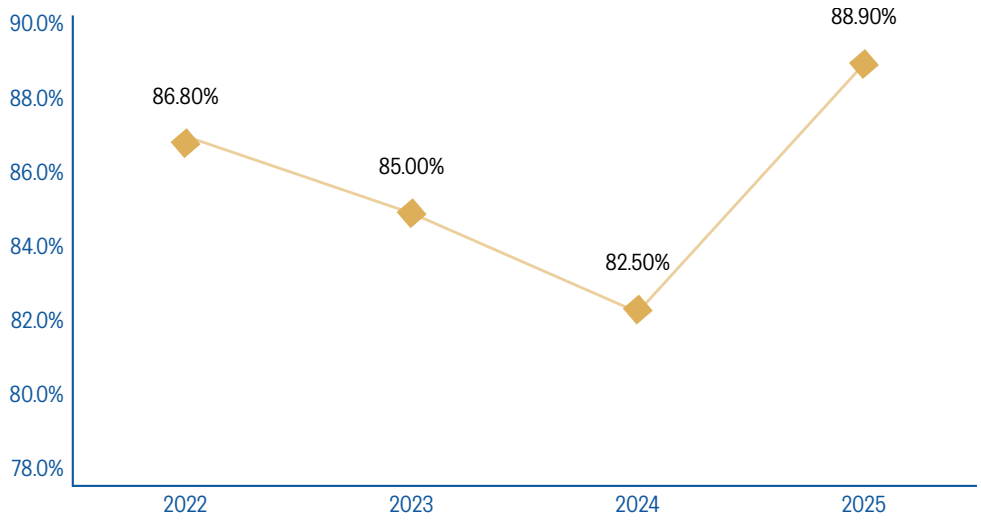
Innolux is committed to building a comprehensive intelligence-gathering system supported by intelligent analysis and diagnostic tools to enable prompt implementation of improvement measures and meet customer needs. The Company uses quality indicators as an early-warning mechanism for risk management. Through in-depth customer relationship management, Innolux accurately anticipates customer needs and market dynamics, ensuring customer satisfaction, while maintaining the Company's business interests. This process not only helps enhance customer satisfaction, but also enables Innolux to serve as a core intelligence hub for value creation.

Customer Satisfaction Survey

Innolux has established a comprehensive intelligence-gathering system, supported by intelligent analysis and diagnostic tools, to enable the prompt implementation of improvements and respond to customer feedback. Through quality indicators as a risk early-warning mechanism and in-depth customer relationship management, the system allows the Company to accurately anticipate customer rankings and needs and achieve customer satisfaction in a way that supports Innolux's business interests, and serves as an intelligence hub for value creation.

The response rate for the 2025 customer satisfaction survey was 88.9%, an increase of approximately 7.8% from 82.5% in 2024. Analysis shows that the increase was mainly due to the greater willingness of newly added customers to participate in the survey. Five of the six new customers added in 2025 participated in the customer satisfaction survey. In 2026, the survey list will be further adjusted based on project progress and shipment status with cooperating customers.

Customer satisfaction response rate

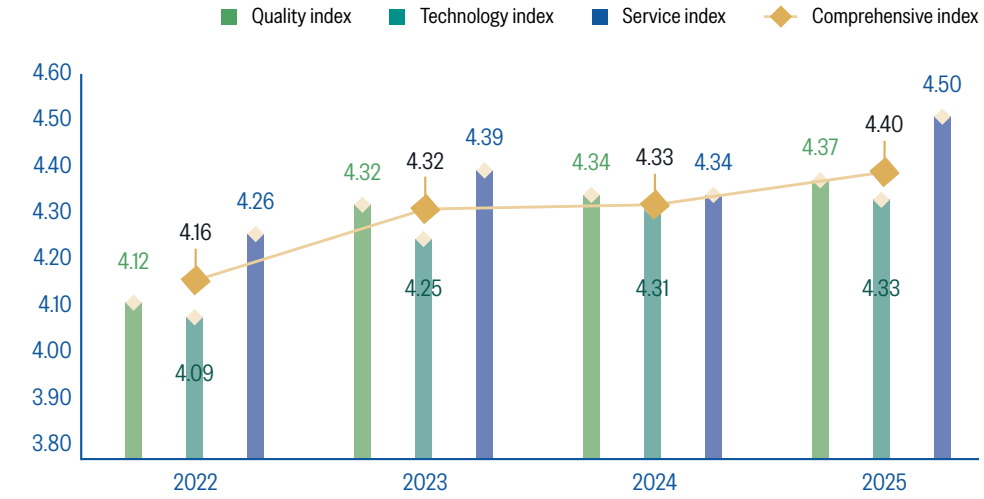


Customer satisfaction analysis

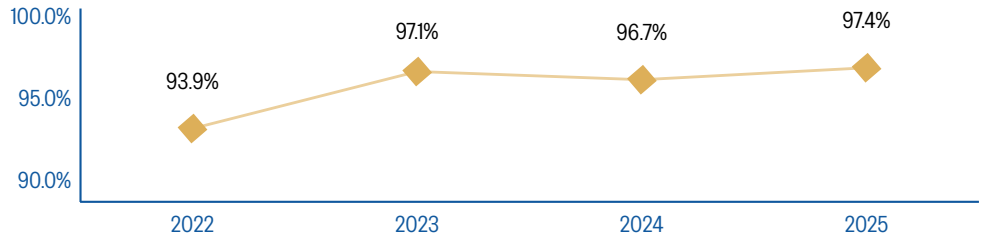
Customer satisfaction survey results from 2023 to 2025 show that overall customer satisfaction has remained stable, with all indicators maintaining previous performance levels. Through regular on-site checks and technical staff visits, Innolux responds quickly and appropriately to customer needs and feedback. For major incidents, the Company establishes task forces to continuously improve shipment quality while actively working with customers on quality improvement projects to maintain strong customer relationships and satisfaction.

Over the past four years, the proportion of Innolux customers giving "satisfied" ratings has shown an overall upward trend. In 2025, the satisfaction rate increased slightly from 2024 to 97.4%, exceeding the annual target of 95%. Moving forward, Innolux will continue to enhance product quality and strengthen customer trust, steadily progressing toward its 2030 sustainability goal of achieving a 98% customer satisfaction rate.

Customer satisfaction analysis



Customer satisfaction rate



Client Sustainability Audit Response

Innolux upholds the core values of the Responsible Business Alliance (RBA) Code of Conduct. Using the Self-Assessment Questionnaire (SAQ) developed by the RBA, the Company reviews its practices, risks, and management systems across four key areas: labor, the environment, health and safety, and ethics. Innolux is strengthening its management mechanisms and optimizing its sustainability strategies to ensure that daily operations comply with the Company's environmental and ethical responsibilities, and that employees are respected and provided with a safe working environment. In 2025, Innolux conducted a total of 10 sustainability audits across five sites: Tainan, Zhunan, Kaohsiung, Ningbo, and Foshan. Of these, seven audits followed the RBA Validated Assessment Program (VAP) and were conducted by RBA-authorized third-party verification bodies. The audit reports were fully disclosed to clients and other stakeholders through the RBA-Online platform.

In addition, Innolux actively responded to customer requirements, completing 98 customer sustainability questionnaires in 2025. In the areas of labor and human rights, as international attention to labor rights continues to grow, issues such as forced labor, management of working hours, and grievance mechanisms have become key customer concerns. Innolux identifies and manages human rights risks through human rights due diligence and, in line with its Human Rights and Diversity, Equity, and Inclusion Policy, works to build a diverse and inclusive workplace culture.

In the environmental dimension, customers are placing increasing emphasis on renewable energy use, greenhouse gas reduction targets, and product carbon footprint disclosure. In response, Innolux is accelerating its carbon management actions, setting 1.5° C science-based targets (SBTs) and continuing to publicly disclose its carbon reduction results and sustainability commitments through the Carbon Disclosure Project (CDP) and its sustainability report. in doing so, Innolux works with customers to build a green supply chain and continues to follow the latest international standards to ensure that its overall operations meet evolving regulatory requirements.

3.3.3 Client Privacy

To protect personal data and privacy, Innolux has established the Privacy and Personal Data Protection Policy, Employee Code of Conduct, Sustainable Development Code of Conduct Operating Procedures, and Innolux Supplier Code of Conduct. All employees, contractors, outsourced service providers, and other external partners are required to comply with these policies, ensuring that both internal and external working partners observe the regulations of the locations where the Company operates as well as client requirements.

Innolux also requires personnel responsible for business activities to maintain the confidentiality of personal data belonging to all parties with whom they conduct business, including suppliers, customers, consumers, and employees, in accordance with applicable laws and Company regulations. Any infringement of privacy or theft of personal data is strictly prohibited. The Company also does not use collected customer data for secondary purposes.

In 2025, Innolux received no complaints regarding infringement of client privacy or data loss, nor were there any privacy-related complaints or penalties from external authorities.

3.4 / Sustainable Supply Chain

GRI 2-6、2-23、2-24、2-25、203-2、204-1、305-5、308-1、308-2、414-1、414-2

Innolux follows the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the UN Global Compact's Supply Chain Sustainability: A Practical Guide for Continuous Improvement, while also referencing the ISO 20400 sustainable procurement standard. The Company works closely with suppliers and places quality, cost, delivery, service, and sustainability at the core of its supplier management approach to establish responsible procurement practices.

3.4.1 Supply Chain Overview

Innolux's major production sites are located primarily in Taiwan and China. To facilitate effective supplier procurement management, the Company classifies its suppliers into several categories: machinery and equipment, raw materials, key components,[Note] outsourced processing, transportation, and services. Suppliers of raw materials and key components are the most critical to the Company's production and operations, and are mainly located in Taiwan, China, the United States, Japan, and South Korea.

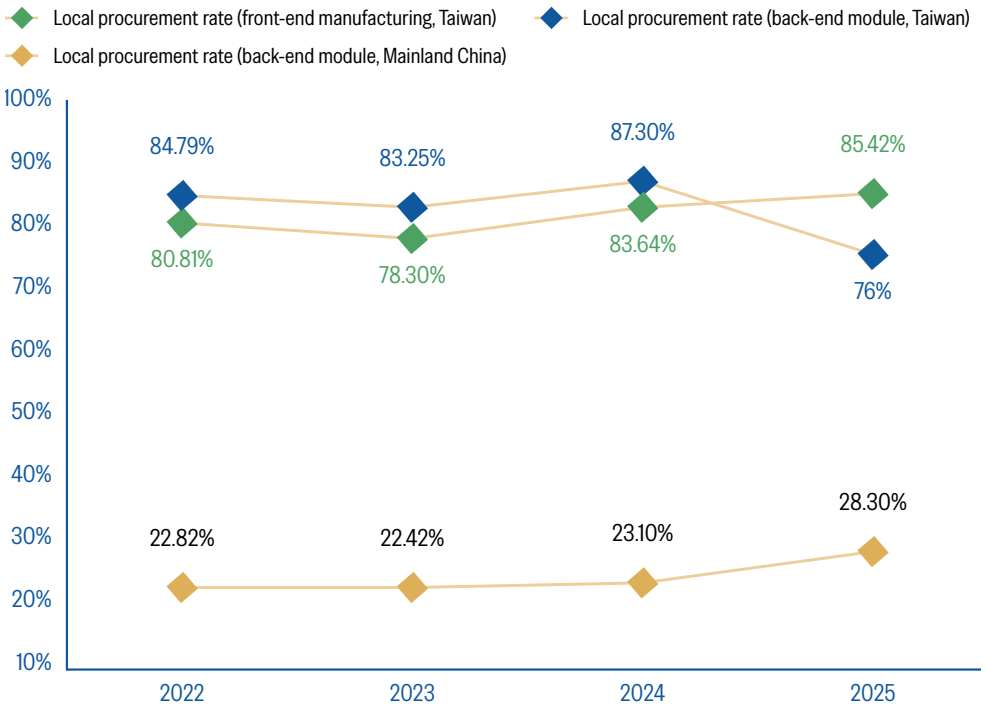
Note: Key components include glass substrates, color filters, polarizers, backlight modules, driver ICs, PCBs, and chemicals.



Industry value chain

Upstream	Company operations			Downstream
Suppliers	Display		Non-display	Clients
	Large-format smart displays	Smart mobile solutions		
Glass substrates Polarizers Backlight modules Driver ICs PCBs Chemicals	LCD TVs Public information Displays Desktop displays Smart healthcare applications Automotive displays Consumer electronics displays	Laptops Industrial displays Tablet computers Smartphones and mobile phones	Smart manufacturing solutions Smart healthcare solutions Smart retail solutions Advanced packaging	Brands Subsidiaries System integrators Hospitals Other

2022-2025 Local procurement rate



Local Procurement

By strengthening local supply chains and industrial clusters, Innolux seeks to reduce transportation costs and carbon emissions while supporting local economic development. The Company analyses procurement based on manufacturing region and process characteristics to ensure the stability and resilience of its supply system.

Taiwan sites cover both front-end manufacturing and back-end module operations. In 2025, local procurement[Note] accounted for 85.42% and 76% of procurement value for front- and back-end, respectively. At our China sites, which focus mainly on back-end module production, local procurement accounted for 28.3% of procurement value in 2025, representing an increase from 2024.

Note: Local procurement refers to sourcing from suppliers located in the same region as Innolux production sites. Percentages are calculated based on procurement value.

Intelligent Logistics and Low-Carbon Transportation Strategies

Guided by its commitment to creating green logistics, Innolux continues to use its container management platform to monitor the movement of import and export containers. The Company has also expanded this approach to customer shipments, increasing the reuse rate of import containers for export purposes. This helps reduce the frequency of empty-container transport to and from ports while improving shipment efficiency.

Where delivery schedules can still be met, Innolux shifts cargo originally transported by air to lower-carbon sea or land transportation. This approach delivers considerable transportation cost savings, reduces carbon emissions, and meets customer delivery requirements, putting the Company's vision of green logistics and environmental stewardship into practice.

Looking ahead to 2030, Innolux will enhance its supply chain carbon neutrality strategy, continue to optimize transportation and warehouse management, and work with suppliers to promote low-carbon transportation technologies, gradually moving toward its net-zero emissions goal.

Green Logistics Strategy and Performance Outcomes

Phase	Key Projects	Description
Implementation Results	Container management optimization	Improved the import-to-export container turnover rate and reduced empty-container transportation. In 2025, container transshipment volume reached 1,143,933 containers, achieving a carbon reduction benefit of 1 metric ton CO_2e.
	Transportation mode adjustment	Reduced the use of expedited shipping and increased the share of sea-land intermodal transport to decrease reliance on high-carbon transportation modes. In 2025, shifting from air to sea transport, including expedited ocean freight and Preh Joyson, achieved a carbon reduction benefit of 1,143,931 metric tons CO_2e.
	Promotion of eco-friendly vehicles	Encouraged suppliers to replace vehicles more than 10 years old, prioritized the use of Phase V and Phase VI eco-friendly vehicles, and incorporated this requirement into the regular audit mechanism.
2026 Targets	Increase in air-to-sea / expedited ocean freight ratio	Maintain container import-to-export turnover volume and augment low-carbon transportation strategies.
	Container management optimization	Introduce license plate recognition and smart check-in to replace existing procedures. This will save time and allow drivers to proceed directly to designated plant areas for unloading, reducing detours and contributing to carbon reduction.
2030 Long-Term Targets	Intelligent logistics management	Strengthen supply chain carbon reduction technologies and improve logistics efficiency.
	Supply chain carbon neutrality	Encourage suppliers to implement carbon neutrality strategies and reduce the environmental impact of transportation.

3.4.2 Sustainable Supply Chain Management

Through a systematic supply chain sustainability management mechanism, Innolux incorporates supplier-related sustainability risks into its supply chain governance and corporate management framework. The Company strengthens supply chain stability and resilience through tiered management and differentiated management measures.

At the same time, guided by the principle of creating shared value, Innolux regards suppliers as important partners. Through long-term collaboration and ongoing communication, the Company works to build a resilient, sustainable, and responsible supply chain.

Supply Chain Management Policy

Centered on the Innolux Supplier Code of Conduct, Innolux incorporates sustainability requirements into its supplier management framework, using the Code as the basis for supplier onboarding, management, and long-term collaboration.

The Code is based on the Responsible Business Alliance (RBA) Code of Conduct and relevant client requirements, with reference to the International Labor Organization (ILO) Fundamental Conventions, United Nations conventions on human rights and anti-corruption, the ISO 20400 Sustainable Procurement Guidelines, and the SA8000 Social Accountability Standard. It covers basic sustainability requirements for suppliers across labor, health and safety, environment, business ethics, and management systems, ensuring that the Company's policy remains aligned with international standards.

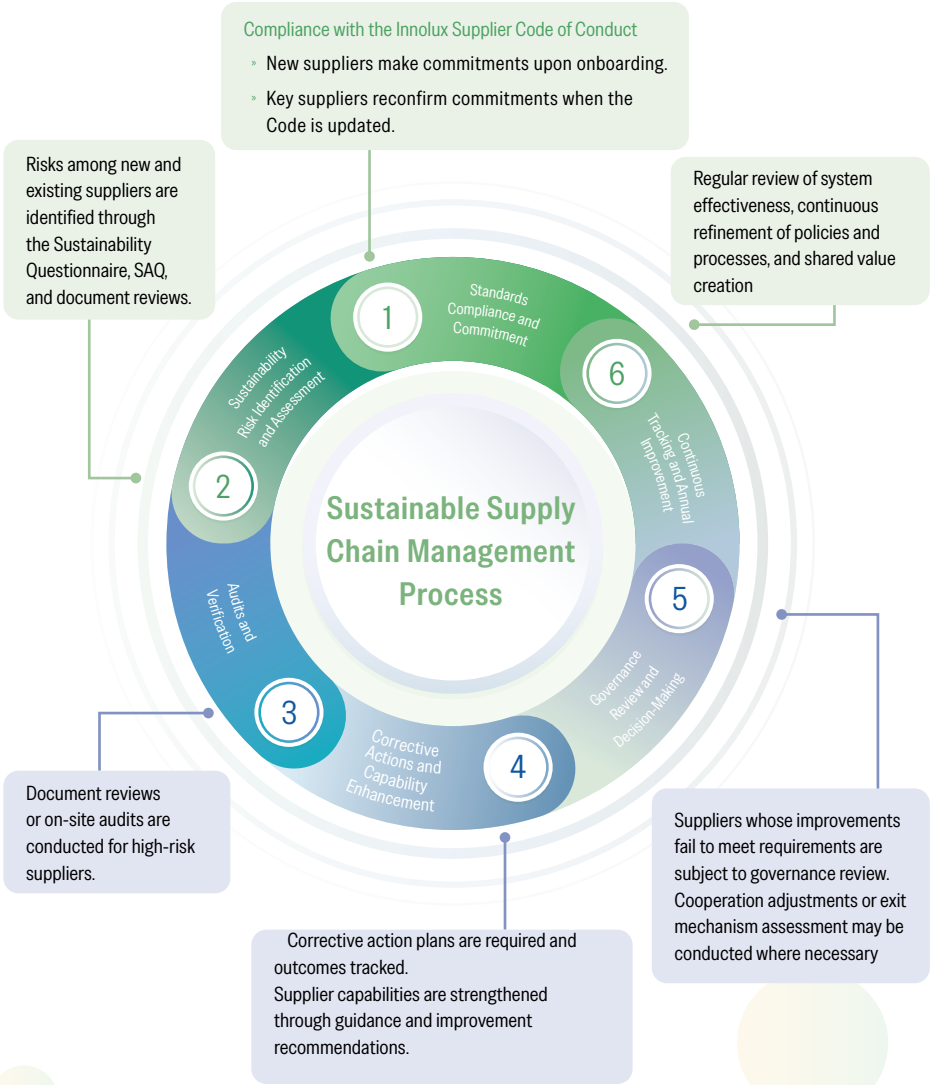
Innolux closely monitors external sustainability trends and practical management needs, and regularly reviews and updates the Innolux Supplier Code of Conduct. The Code was revised in early 2025. After review and approval by executive management, the updated version was officially released and incorporated into supplier management and assessment processes as an important basis for supplier management and responsible audits.

The Innolux Supplier Code of Conduct has been publicly disclosed. Suppliers and stakeholders may access the full text through the Company's official website or the QR code provided in this report.

Innolux Supplier Code of Conduct

Sustainable Supply Chain Management Process

Sustainable Supply Chain Management Process



Innolux has established a systematic supplier sustainability management mechanism for use in pre-assessment for new supplier onboarding and the ongoing management of existing suppliers. Through six management stages — standards compliance and commitment, sustainability risk identification and assessment, audits and verification, corrective actions and capability enhancement, governance review and decision-making, and continuous tracking and annual improvement — Innolux has built a tiered, cyclical management framework for continuous improvement.

1. Standards Compliance and Commitment
» The Innolux Supplier Code of Conduct serves as the core standard for supplier sustainability management. It clearly requires suppliers to comply with sustainability requirements across labor, health and safety, environment, business ethics, and management systems.
» New suppliers are required to comply with the Code and sign the Supplier Undertaking during the onboarding stage. Existing key suppliers are required to reconfirm and sign the undertaking when the Code is revised, ensuring that they understand and implement the latest sustainability requirements.

2. Sustainability Risk Identification and Assessment
» Through the Innolux Supplier Sustainability Risk Self-Assessment Questionnaire (SAQ), supplier documentation review, and risk coefficient calculation mechanism, Innolux identifies potential sustainability risks among new and existing suppliers across the labor, health and safety, environment, business ethics, and management systems. Suppliers are then classified by risk level based on the assessment results.

3. Audits and Verification
» For suppliers assessed as high-risk or having significant sustainability impacts, Innolux conducts document reviews or on-site audits according to the level of risk to verify actual implementation and the effectiveness of risk controls.

4. Corrective Actions and Capability Enhancement
» For deficiencies identified during audits, suppliers are required to submit a Corrective Action Plan (CAP). Innolux tracks improvement progress according to the type of deficiency and level of risk. At the same time, the Company provides guidance and improvement recommendations to help suppliers gradually improve their sustainability management capabilities.

5. Governance Review and Decision-Making
» For suppliers whose corrective actions do not meet requirements or whose major sustainability risks persist, Innolux initiates a governance review process. Depending on the level of risk, the Company may adjust the partnership, modify procurement management measures, or strengthen supervision. If improvement is not achieved after continued guidance, the supplier will be subject to an exit mechanism assessment, with relevant units conducting the review and decision-making process.

6. Continuous Tracking and Annual Improvement
» Innolux regularly reviews the effectiveness of its supplier sustainability governance mechanism. Based on internal and external trends and practical management experience, the Company continuously refines relevant policies and processes to strengthen supply chain stability and resilience, while working with suppliers to create shared value.

Supplier Sustainability Risk Assessment and Tiered Management

To systematically identify and manage potential sustainability risks arising from the supply chain, Innolux has established a supplier sustainability risk assessment and tiered management mechanism as the core framework for supply chain management. This mechanism integrates supplier classification, risk assessment, tiered management, and governance decision-making to form a structured management framework. It ensures that sustainability risks are effectively identified, controlled, and continuously improved, while strengthening the stability and resilience of the overall supply chain.

Sustainability Management of New Suppliers and Review Results

To ensure that supply chain sustainability risks are effectively controlled from the early stages of cooperation, Innolux incorporates supply chain sustainability-related risk factors into its new supplier onboarding process in addition to reviews covering procurement, quality, and technology. These factors include product supply categories, industry characteristics, the supplier's country or region, and other potential negative impacts.

Before cooperation begins, new suppliers are required to complete a basic information review, sign the Supplier Undertaking and sustainability commitment documents, and complete the Innolux Supplier Sustainability Risk Self-Assessment Questionnaire. This allows the Company to assess the supplier's sustainability risk performance across labor, health and safety, environment, business ethics, and management systems.

Only suppliers that meet Innolux's sustainability management requirements after assessment may be formally included in the list of qualified suppliers. Afterwards, they are also included in the same ongoing sustainability risk assessment and tiered management mechanism as existing suppliers.

In 2025, Innolux completed sustainability reviews for 11 new suppliers. All were assessed as low-risk suppliers, passed the sustainability review, and were formally included in the list of qualified suppliers, achieving a 100% qualification rate.

By implementing new supplier sustainability management and front-end review mechanisms, Innolux is able to identify and control potential supply chain sustainability risks at the early stage of cooperation. This also ensures that suppliers are subsequently incorporated into a consistent and comprehensive supply chain sustainability risk management framework, further strengthening the foundation of sustainable supply chain governance.

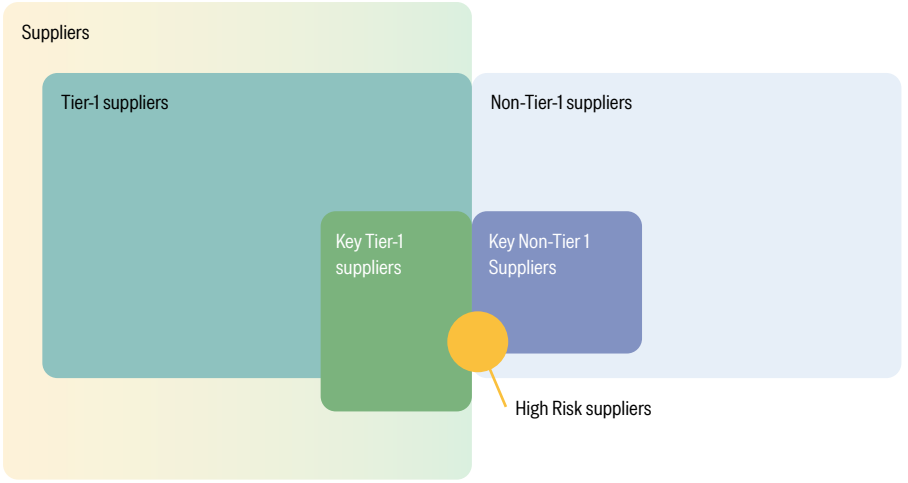
Management Scope and Identification of Key Suppliers

To effectively identify suppliers that may have a material impact on operational stability and sustainability performance, Innolux has defined the scope of sustainability risk management to cover major supplier categories that are highly relevant to the Company's operations and value chain. These include major suppliers of products and services, labor brokers / contractors, and on-site service providers.

The Company first classifies suppliers as Tier 1 suppliers or non-Tier 1 suppliers based on whether they have a direct commercial relationship with Innolux. This serves as the basic level for supply chain management and disclosure. On this basis, Innolux further considers factors such as the proportion of procurement value, irreplaceability, and customer designation to identify key suppliers with higher risk or importance. These include key Tier 1 suppliers and key non-Tier 1 suppliers that are assessed as having high material risk.

In addition, to ensure the completeness and consistency of sustainability risk management, suppliers that failed to complete sustainability risk assessments as required in the previous year are also included in the scope of key supplier management for the current year. This strengthens risk identification, audits, and subsequent management.

Supplier Classification and Management Scope



This diagram illustrates how the Company classifies suppliers into Tier 1 suppliers, key Tier 1 suppliers, and key non-Tier 1 suppliers based on transaction relationships and operational relevance. Suppliers with higher sustainability risks are then identified as priority targets for subsequent management.

Supplier Classification and Definitions

Type	Definition	Number of Suppliers
Tier 1 Suppliers	» Suppliers with direct transactions with Innolux for more than one year and annual procurement value exceeding NT$5 million	326
Key Tier 1 Suppliers	» Tier 1 suppliers accounting for the top 80% of direct transaction value » Sole-source and irreplaceable suppliers » Customer-designated suppliers	45
Key Non-Tier 1 Suppliers	» Suppliers without direct transactions with Innolux that provide products and services accounting for the top 80% of annual procurement value through agents	29
Key Suppliers	» Key Tier 1 suppliers » Key non-Tier 1 suppliers » Suppliers that did not respond to the sustainability risk assessment questionnaire in the previous year	75

Sustainability Risk Assessment and Tiered Management Mechanism

To systematically identify and manage potential risks in the supply chain that may affect operational stability and sustainability performance, Innolux has established a supplier sustainability risk assessment and tiered management mechanism in accordance with the INX Supplier Sustainability Risk Assessment Management Regulations. This mechanism is used to regularly identify, assess, and classify sustainability risks among key suppliers, providing the basis for subsequent governance and management measures.

With reference to the relevant standards of the Responsible Business Alliance (RBA) and international sustainability-related guidelines, Innolux has designed the Innolux Supplier Sustainability Risk Self-Assessment Questionnaire. The assessment focuses on sustainability issues including labor, health and safety, environment, business ethics, and management systems. After key suppliers complete the questionnaire, Innolux reviews and assesses risks based on their responses. During the assessment process, the Company adopts a conservative risk determination principle. Where a supplier provides multiple types of products and services, the category with the highest sustainability risk is used as the basis for assessment. If a supplier fails to respond, provides incomplete responses, or submits unclear information during the self-assessment process, the highest-risk scenario is also applied to ensure the completeness and prudence of risk identification. In addition, to maintain the completeness and effectiveness of sustainability risk management, suppliers that fail to complete the sustainability risk assessment within the required timeframe are included as key suppliers in the following year. Suppliers that fail to complete the relevant assessment for two consecutive years are regarded as having higher sustainability risk, and corresponding enhanced management and supervision measures are initiated according to the level of risk.

Based on the assessment results, suppliers are classified into different sustainability risk levels. Appropriate management measures are then adopted according to their risk characteristics, including regular assessments or inclusion in subsequent audit procedures. This ensures that supplier sustainability risks are properly managed and that the overall sustainability resilience of the supply chain continues to improve.

Supplier Sustainability Risk Assessment Flowchart

Assessment Targets

Key Suppliers

- Key Tier 1 Suppliers
- Key Non-Tier 1 Suppliers
- Suppliers that did not respond to the sustainability risk assessment questionnaire in the previous year

Risk Identification

Suppliers complete the Sustainability Risk Assessment Form, SAQ

Risk Assessment and Classification

Based on assessment results, suppliers are classified by sustainability risk level:

High Risk | Medium-High Risk | Medium Risk | Low Risk

Management and Audit Mechanism

1. For high-risk suppliers, audit procedures are initiated in accordance with internal mechanisms
2. Suppliers at other risk levels are managed through regular assessments

Results and Improvement Tracking

Corrective actions are tracked based on audit results

Suppliers may be included in the guidance mechanism depending on audit results

ESG risk assessment

面向	評估項目
Country	» Evaluate for source countries with banned conflict minerals
Industry	» Evaluate resource and labor-related risks based on industry characteristics, focusing on service or specific processes.
Commodity	» Screen for parts/materials containing special controlled metals or hazardous substances
Business	» Categorize by procurement amount
Environment	» History of safety incidents resulting in severe injuries, deaths, and property losses » Violations of environmental regulations resulting in fines or shutdowns mandated by government authorities » EHS adoption, fire and pollution control
Social	» Violations of labor, human rights, health & safety laws resulting in fines mandated by government authorities » History of forced/child labor » Compliance with labor rights, data privacy protection, and ethical practices
Governance	» RBA compliance, business continuity plans

Annual Supplier Sustainability Risk Assessment

In accordance with the supplier sustainability risk assessment and tiered management mechanism described above, Innolux compiles supplier sustainability risk assessment results on an annual basis. These results enable the Company to understand the distribution of sustainability risks across the supply chain and serve as the basis for subsequent management and improvement actions.

In 2025, a total of 75 key suppliers were included in the sustainability risk assessment. Of these, 57 suppliers completed the self-assessment questionnaire, for an overall response rate of 76%. Suppliers that did not complete the questionnaire within the required timeframe are included as key suppliers in the following year, and their response status and sustainability risk conditions will continue to be tracked in subsequent assessment cycles.

Supplier Sustainability Risk Assessment Results

Risk Level	Number of Suppliers	Management Approach
Low	31	Regular assessment
Medium	12	Regular assessment
Medium-High	11	Regular assessment
High	3	Audit procedures initiated
Total	57	

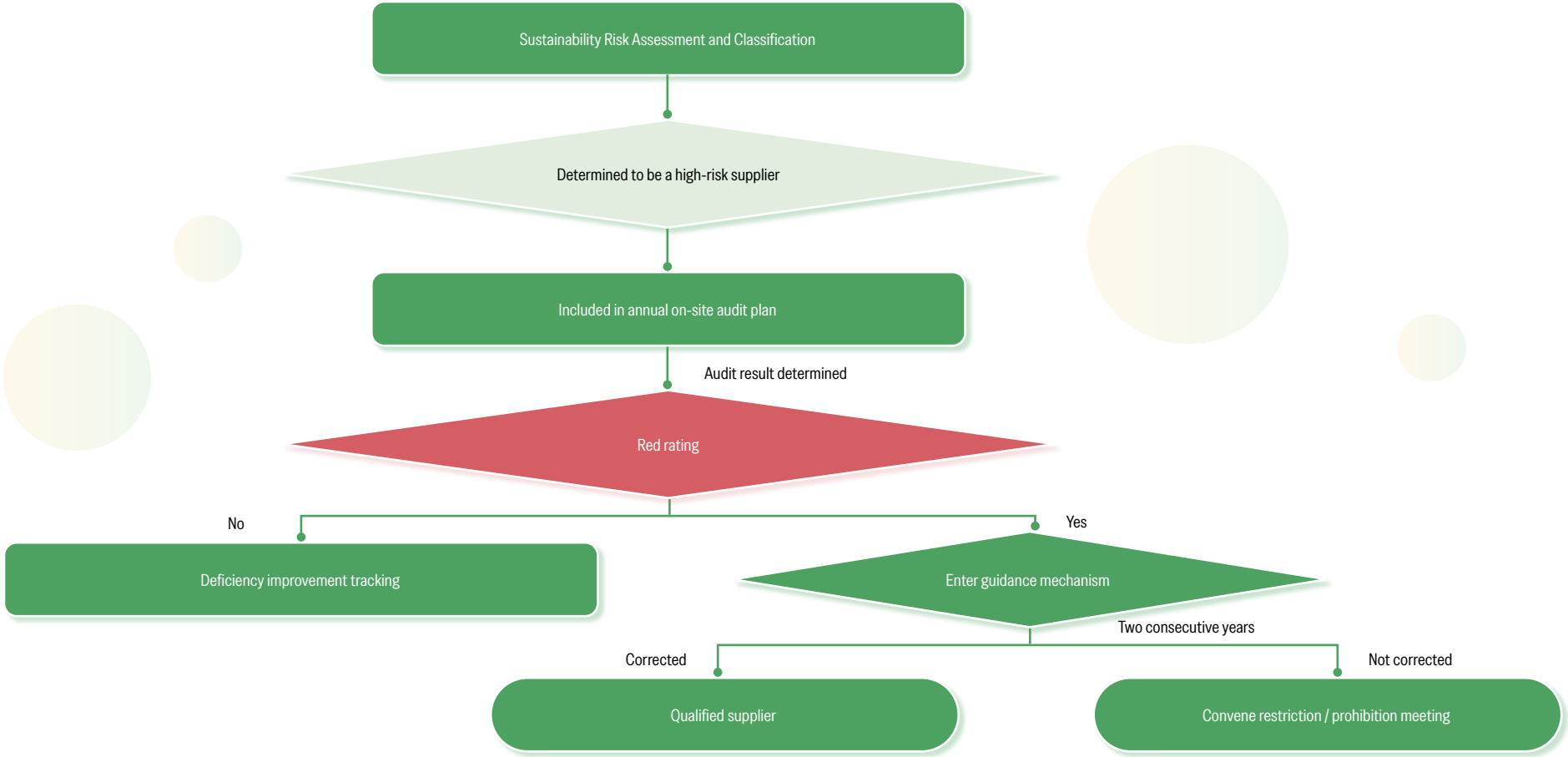
Innolux adopts differentiated management approaches according to suppliers' sustainability risk levels, ensuring that management resources are focused on high-risk suppliers. Through regular assessment results, the Company also reviews the overall distribution of sustainability risks across the supply chain on a rolling basis, thereby enhancing the stability and resilience of supply chain management.

Supplier Audit Results and Improvement Management Mechanism

SASB TC-HW-430a.1、TC-HW-430a.2

Based on the results of the supplier sustainability risk assessment and tiered management mechanism, Innolux regularly reviews the sustainability risk status and management effectiveness of key suppliers and high-concern suppliers within its management scope each year. Differentiated management measures are adopted according to the level of risk to ensure supply chain operational stability and effective control of sustainability risks.

Supplier Sustainability Governance Mechanism



In response to specific client requirements for product sustainability and responsible supply chains, Innolux identifies raw material suppliers involved in specific product models and classifies them as high-concern suppliers, incorporating them into the sustainability risk assessment and management mechanism. In 2025, a total of 16 high-concern suppliers were identified and included in the annual audit list. In addition, three suppliers were assessed as high-risk suppliers through the sustainability risk assessment, and all were included in the on-site audit process.

For high-risk suppliers, Innolux generally arranges on-site audits. However, if a supplier has passed the RBA Validated Assessment Program (VAP) audit, or has previously undergone an on-site corporate social responsibility audit conducted by Innolux and completed all corrective actions, the supplier may be exempted from the annual on-site audit after internal review. This avoids duplicate audits and improves the efficiency of resource allocation. Other suppliers are subject to on-site audits according to their risk level. In 2025, one supplier was exempted from audit, while the remaining 18 suppliers all completed on-site audits, achieving an audit completion rate of 100%. Some supplier audits were also conducted jointly with subsidiary CarUX to ensure consistency in supply chain governance standards across the Group.

In addition to conducting second-party audits, Innolux also recognizes audit results from external third-party verification bodies. In 2025, seven key suppliers completed valid RBA VAP audits and submitted the relevant reports. Innolux recognized these audit results and incorporated them into supplier sustainability risk management and performance evaluation.

For suppliers with higher sustainability risks or major non-conformities or those subject to specific client or stakeholder requirements, Innolux may, in addition to conducting on-site audits in accordance with internal procedures, engage qualified independent third-party audit organizations to jointly conduct audits on a case-by-case basis. This mechanism is intended to enhance the objectivity and credibility of audit results. No such cases occurred in 2025.

For non-conformities identified during audits, Innolux classifies findings as Priority, Major, or Minor in accordance with the RBA Standard. Suppliers are required to submit a Corrective Action Plan (CAP) within the prescribed timeframe, and Innolux continuously tracks improvement outcomes through documents, records, and other supporting evidence. If an audit result is rated red, the highest risk level, the supplier is placed under the supplier guidance mechanism. If no effective improvement is achieved after six months of guidance, the supplier is included in the list of high-concern suppliers for the year, and enhanced governance measures are initiated. These include continued guidance, evaluation of a gradual reduction in procurement volume, and another on-site audit in the following year. If the supplier fails to meet requirements for two consecutive years, Innolux will convene a restriction/prohibition meeting to discuss revoking the supplier's qualified supplier status. In 2025, no cases requiring the activation of the above enhanced governance measures occurred. This indicates that the sustainability risks of audited suppliers remained within a controllable range. Therefore, Innolux did not convene any restriction/prohibition meetings, and no suppliers were disqualified.

For non-conformities that have not yet been fully corrected, Innolux continues to track improvement progress through CAPs and carries out follow-up management based on actual improvement status. This ensures the effective operation of the supply chain sustainability governance mechanism and continued reductions in the potential impact of sustainability risks on the Company's operations.

2025 Supplier Sustainability Audit and Verification Implementation

Implementation Method	Number of Suppliers Audited	Result		
		Green	Yellow	Red
Second-party audit	18	11	7	0
RBA VAP recognized	7	-	-	-
Total	25	11	7	0

Note: Audit coverage rate = total number of suppliers covered by audits / number of key suppliers × 100%. The audit coverage rate for key suppliers was 33%. RBA VAP is a valid third-party audit; therefore, no separate rating was conducted.

Distribution of Supplier Audit Non-Conformity Rates

Item		Labor	Health and Safety	Environment	Business Ethics	Supply Chain Management
Non-conformity rate[Note 1]	Major non-conformities[Note 2]	12%	0%	0%	0%	0%
	Other non-conformities[Note 3]	84%	88%	40%	12%	60%
	Total non-conformities	96%	88%	40%	12%	60%

Note1: Non-conformity rate = number of suppliers with non-conformities / total number of audited suppliers × 100%.

Note2: Major non-conformities refers to findings classified as Priority in the paragraph above.

Note3: Other non-conformities refers to findings classified as Major or Minor in the paragraph above.

Supplier CAP Completion Rate

Item		Labor	Health and Safety	Environment	Business Ethics	Supply Chain Management
Improvement completion rate[Note 1]	Major non-conformities[Note 3]	33%	NA[Note 2]	NA[Note 2]	NA[Note 2]	NA[Note 2]
	Other non-conformities[Note 4]	86%	95%	100%	100%	87%

Note1: Improvement completion rate = number of suppliers that completed corrective actions / total number of suppliers with non-conformities × 100%.

Note2: N/A indicates that no non-conformities of the corresponding level were identified under this topic during the year; therefore, no improvement completion rate applies.

Note3: Major non-conformities refer to findings classified as Priority in the paragraph above.

Note4: Other non-conformities refer to findings classified as Major or Minor in the paragraph above.

Overall Assessment and Continuous Improvement

Based on the overall results of supplier audits and corrective action implementation in 2025, supplier non-conformities were mainly concentrated in labor management, health and safety, and supply chain management systems. Most findings were related to the completeness of system documentation and the effectiveness of implementation. Examples included excessive working hours, salary deductions used as a form of disciplinary action, inaccurate evacuation floor plan markings, failure to conduct emergency response drills for all employees, and incomplete management procedures for service suppliers. These findings indicate that some suppliers still have scope to enhance the maturity of their sustainability management systems.

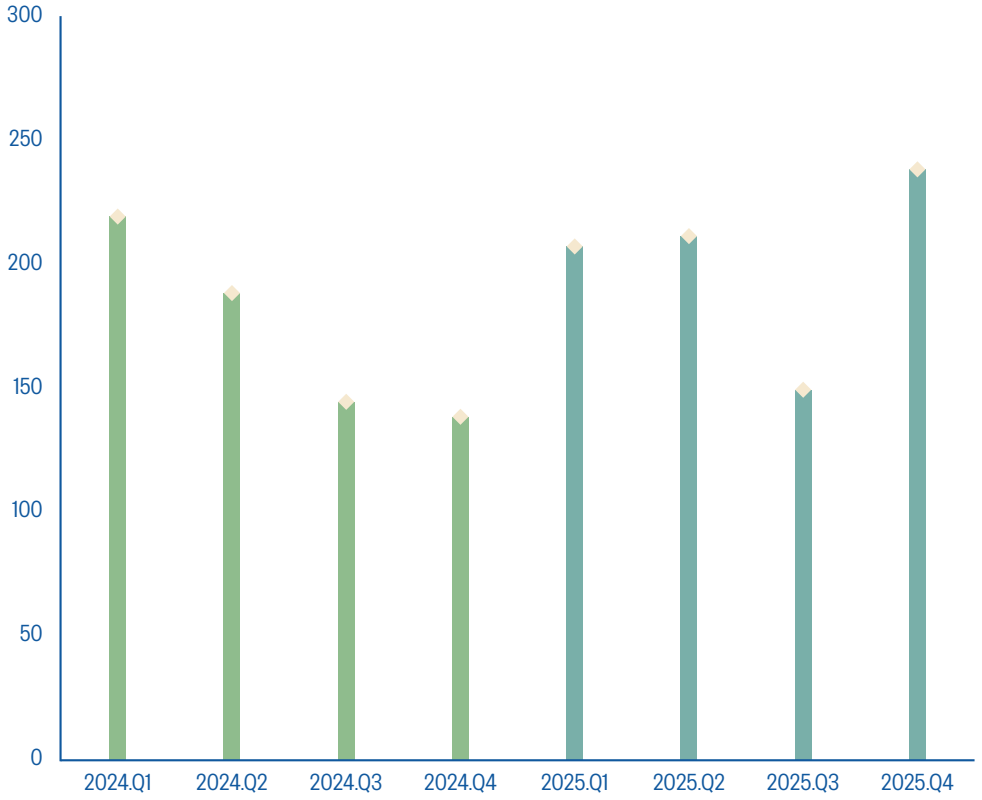
In response to these non-conformities, Innolux has required these suppliers to submit CAPs according to the severity of the findings. The Company continues to monitor improvement outcomes through document reviews, confirmation of supporting evidence, and follow-up mechanisms. Major non-conformities are subject to focused tracking, and suppliers may also be required to strengthen their management systems and conduct internal education and training to enhance their sustainability management capabilities.

Innolux will continue to strengthen suppliers' sustainability governance capabilities through annual audits and CAP follow-up management, ensuring that non-conformities are effectively corrected while progressively improving the maturity and stability of sustainability management across the overall supply chain.

Supply Chain Sustainability Training

With a forward-looking perspective, Innolux continues to promote its Supply Chain Co-Learning Program, helping suppliers understand product compliance, ESG trends, and sustainability response strategies. The program aims to strengthen supply chain risk awareness, responsible governance capabilities, and climate resilience while progressively advancing the sustainability maturity of the overall supply ecosystem. In 2025, Innolux held one co-learning session each quarter, for a total of four sessions. The courses covered key current topics, including international certification standards, environmental protection and sustainable development, supply chain management, plastics recycling, safety and quality control, and materials science and applications. These sessions helped suppliers strengthen their regulatory response capabilities and green competitiveness. A total of 239 suppliers participated in the program. The average number of participating suppliers per session reached 202, representing a 16.7% increase from the 2024 average of 173 suppliers. This growth demonstrates the growing willingness of supply chain partners to collaborate and their increasing attention to sustainability issues.

Number of Participating Suppliers



2025 Q1–Q4 Co-Learning Course Topics

2025.Q1

1. Sharing of supply chain GHG carbon reduction strategies
2. Explanation of EPEAT and TCO environmental labels
3. International trends and practices in circular economy and recycled materials

2025.Q2

1. Applications of polymer plastic materials across product categories
2. Control and requirements for key components in safety certification for complete systems and modules

2025.Q3

1. Revision of Controlled Substance Operating Regulations
2. PFAS control briefing
3. Innolux Worker Health Passport

2025.Q4

1. PFAS control briefing
2. Revision of Controlled Substance Operating Regulations V26
3. Innolux Worker Health Care

Supplier Greenhouse Gas Inventory

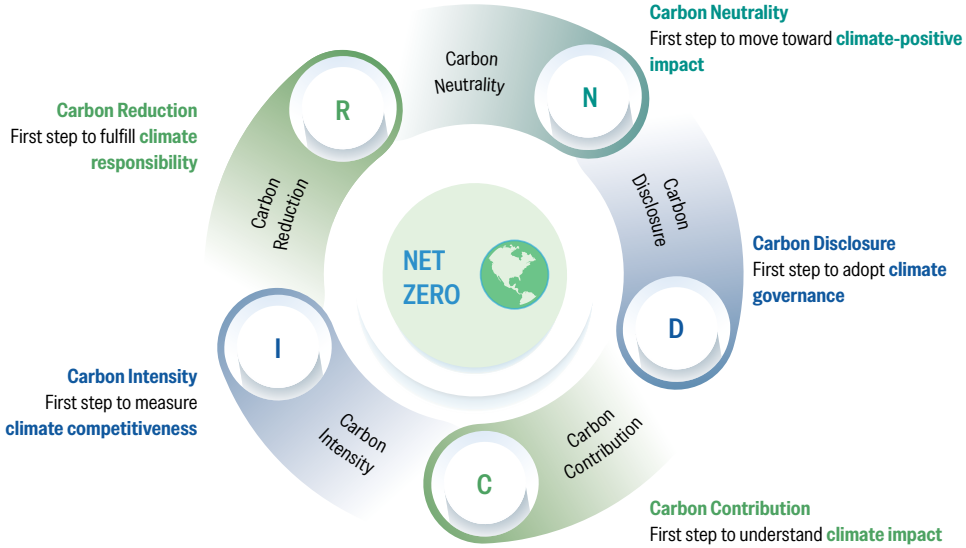
In response to global climate change and supply chain carbon reduction trends, Innolux has long been committed to promoting greenhouse gas inventories among suppliers. The Company is progressively implementing its Low Carbon Management Strategy (DCIR), with the ultimate goal of moving toward net-zero management (DCIRN). In 2025, Innolux updated its supplier greenhouse gas inventory questionnaire to include a stronger focus on the completeness of emission sources, the implementation of carbon reduction measures, and climate risk assessment. Several disclosure items aligned with international practices were also added to improve information transparency and management maturity.

The newly added inventory items help Innolux better understand suppliers' readiness for the net-zero transition and their resilience in low-carbon transformation. By comparing current data with historical records, the Company verifies the reasonableness of emission changes, tracks environmental performance trends, and identifies abnormal sources, providing a basis for subsequent communication and improvement.

In terms of performance, Innolux improves supplier inventory quality and supports carbon reduction implementation through annual briefing sessions, technical exchanges, and guidance. In 2025, 111 suppliers completed greenhouse gas inventories, achieving a carbon intensity reduction of 26,502 tCO_2e. Key suppliers achieved a 12.9% reduction in carbon emissions in 2025 compared to the base year of 2020.

Innolux will continue to adjust its management strategies based on these outcomes and work with suppliers to promote practical and sustained carbon reduction results, moving toward more comprehensive net-zero supply chain management.

DCIRN Carbon management framework



New GHG Questionnaire Inventory Items

- Status of short-, medium-, and long-term carbon reduction
- Practicality assessment of emission reduction
- Cost-benefit analysis
- Climate risk identification and response strategies
- Energy management system
- Current status of renewable energy adoption

Conflict Minerals Management

Innolux prohibits the use of conflict minerals and conducts supply chain due diligence to ensure that the materials it uses are legal and compliant. These efforts help meet client requirements for conflict minerals compliance and fulfill the Company's social responsibility. Innolux has further strengthened its smelter management system by extending management down to the material level. During the material validation stage, the Company monitors the qualification status of smelters in real time. At the same time, Innolux has actively responded to the expanded control items under the Responsible Minerals Initiative (RMI). Through system setting updates and data integration, the Company prevents conflict minerals from entering the supply chain at the source, further ensuring data transparency and overall compliance.

Management Strategies and Approaches	1. Promotion of the conflict-free materials policy 2. Selection of qualified suppliers 3. Use of compliant materials 4. Real-time monitoring of smelters 5. Focused management of smelters
Medium- to Long-Term Development Direction	Adhere to responsible procurement principles, strengthen the due diligence mechanism, and ensure that all raw material sources comply with regulatory requirements.
2025 Performance	1. Dynamic qualified smelter certification rate for supplier 3TG reached 90% or above (90.25%). 2. Supplier cobalt and mica inventory completion rate reached 90% or above (100%). If a supplier declares cobalt or mica in the system, the system requires the supplier to declare the relevant smelters; therefore, the inventory completion rate is 100% for audit purposes.
2026 Targets / Key Promotion Priorities	1. Dynamic qualified smelter certification rate for 3TG among medium- and high-risk suppliers reaches 90% or above.[Note] 2. Cobalt and mica inventory completion rate among medium- and high-risk suppliers reaches 98% or above. Note: Considering that the expanded scope of RMI control items has increased the complexity and challenges of supply chain due diligence, the smelter certification rate target for next year will remain unchanged for the time being.

Supply Chain Health and Safety Actions

Upholding our commitment to value chain occupational health and safety (OHS) management, Innolux integrates the spirit of ISO 45001 and the GRI 403-7 disclosure standards to fulfill our corporate social responsibility. We are committed to providing comprehensive care for all workers within our premises—including non-Innolux employees—by offering access to health centers, nursing rooms, and first-aid facilities, ensuring that every worker operates in a safe and supportive environment.

To precisely identify potential hazards, Innolux has extended its scope to include value chain health and safety risk assessments. We have incorporated specific occupational health indicators—such as maternity protection, excessive workload management, and musculoskeletal hazard prevention—into our Supplier Sustainability Self-Assessment Questionnaire (SAQ). By analyzing the feedback from suppliers, we identify high-risk areas and provide necessary occupational health management resources. This initiative enhances the risk control capabilities of our supply chain partners, fostering a resilient supply chain system that mitigates risks and prevents potential operational disruptions.



Cover of the Worker Health Care Practice Manual

In terms of concrete actions, Innolux has translated these concepts into diverse value chain management initiatives and communication channels. Aiming to create "shared prosperity and mutual benefits" with society and stakeholders, we codified our management expertise by publishing the Innolux Worker Health Care Practice Manual in July 2025, providing a simplified workflow for autonomous management. Throughout 2025, our initiatives—including the contractor conference in Taiwan and product compliance workshops—received support and engagement from 1,592 value chain partners. Furthermore, we have integrated four major occupational health management guidelines into our contractor regulations and conducted musculoskeletal hazard prevention training in the second half of 2025. Through practical experience sharing, we continue to strengthen the OHS performance of our contractors, working hand-in-hand to build a superior workplace environment.



Manual Structure and Content

3.4.3 Supply Chain Quality Management

Innolux has established a comprehensive supply chain quality management system spanning R&D and design, strategic procurement, manufacturing excellence, market sales, and operations management. Through intelligent management, the Company proactively identifies risks, dynamically adjusts inspection strategies, and strengthens early-stage quality control to ensure optimized material decision-making, smooth incoming material and production processes, and stable component quality.

The Company uses supplier evaluation data and supplier selection systems to support precise decision-making and conduct design risk diagnostics. By adjusting material specifications and applying intelligent tolerance analysis, Innolux improves inspection efficiency and quality compatibility. The Company's information management systems further strengthen data applications, enabling yield estimation and material preparation forecasting to reduce the risk of material shortages and improve production quality.

In addition, Innolux has established mechanisms for production ramp-up risk detection, incoming material yield simulation, and abnormal material traceability. These mechanisms allow the Company to maintain full control over quality records, prevent abnormalities, and enhance the effectiveness of supply chain quality management.

Mission	Optimize material decision-making, streamline incoming materials and production, optimize component quality
Strategy	Leverage component business intelligence | Proactively diagnose development risks | Dynamically adjust optimal inspection strategies | Predict and prevent abnormalities in real time | Strengthen early-stage quality control



Material Quality Management

- Centralized cross-site joint prevention
- Supplier evaluation based on operating cost indicators

Optimal Purchase Specification and Intelligent Inspection

- Optimal material specification adjustment
- Enhanced detection at key points
- Flexible allocation of inspection manpower

Design Risk Diagnosis

- Precise support for supplier selection decisions
- Cross-tier risk diagnosis

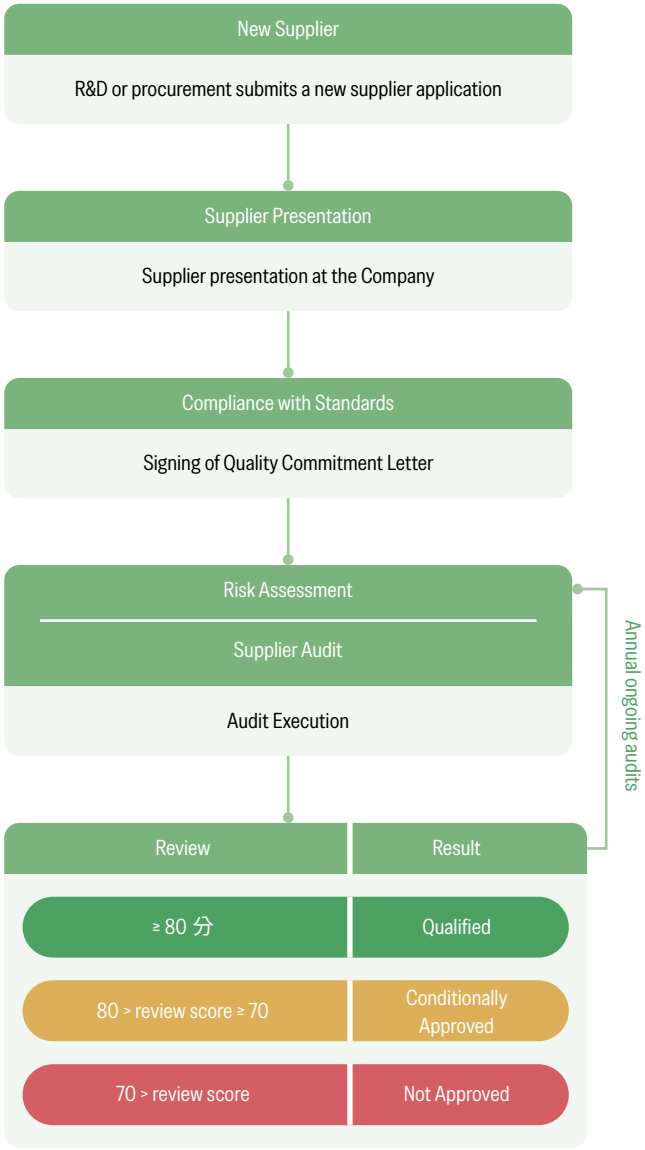
Shipment Containment

- Rapidly detecting high-risk materials at production line input.
- Enabling full source traceability.

Mass Production Quality Prediction

- On-site status monitoring
- Emergency resource allocation
- Yield estimation and material preparation forecasting

Supply Chain Quality Management Process



New Supplier Selection and Management

For the selection of new suppliers, Innolux has established a rigorous evaluation process covering key criteria such as quality, technology, financial stability, pricing, and sustainability. Based on the results of these key assessments, the Company selects suitable, high-quality suppliers. Regular audits are also conducted to ensure that suppliers continue to comply with Innolux's management requirements.

In 2025, Innolux audited 43 new suppliers. Of these, 40 passed the audit, three received conditional approval for production, and none were disqualified.

New Supplier Selection Results

Qualified Note 1	Conditionally Approved Note 2	Disqualified Note 3	Total
40	3	0	43

Note1: Qualified: audit score ≥ 80; qualified supplier.

Note2: Conditionally approved: 80 > audit score ≥ 70; supplier conditionally approved for production and subject to re-audit.

Note3: Disqualified: audit score < 70; supplier disqualified and placed on the non-approved list.

Annual Supplier Audits

Innolux classifies and manages materials based on their attributes, and formulates targeted annual audit plans to conduct on-site reviews. For findings identified during audits, suppliers are required to develop improvement plans with specific targets and timelines. Through follow-up and guidance, Innolux ensures that suppliers' logistics performance is aligned with the Company's quality expectations and sustainability standards.

In 2025, Innolux completed 258 annual audits of domestic and overseas suppliers. All 258 suppliers passed the audits.

Annual Supplier Quality Audit Results

Qualified Note 1	Conditionally Approved Note 2	Disqualified Note 3	Total
258	0	0	258

Note1: Qualified: audit score ≥ 80; qualified supplier.

Note2: Conditionally approved for production: 80 > audit score ≥ 70; supplier conditionally approved for production and subject to re-audit.

Note3: Disqualified: audit score < 70; supplier disqualified and placed on the non-approved list.

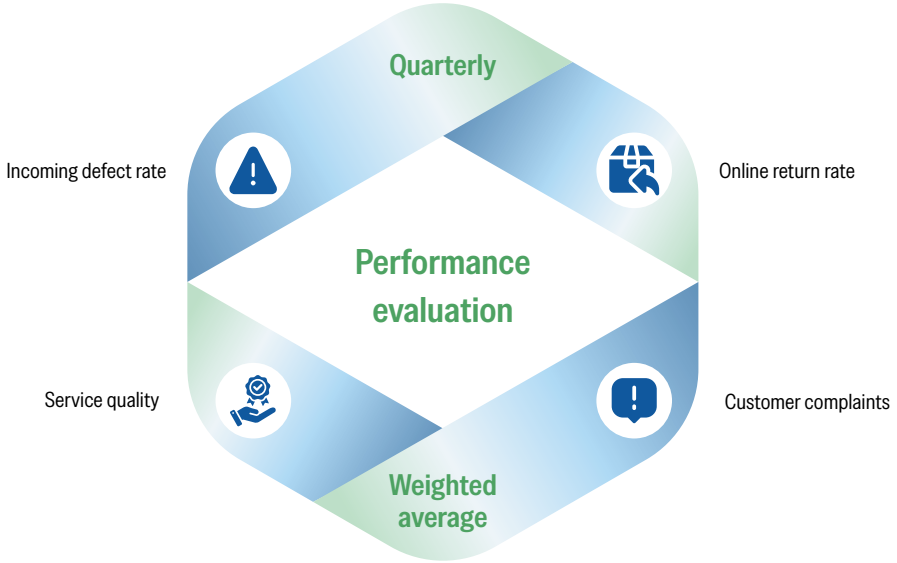
Supplier Quality Evaluation and Support

Innolux conducts quarterly Supplier Quality Performance Rankings (SQPR) based on four KPIs. Suppliers rated C or D in the quality evaluation are provided with coaching and guidance. In 2025, Innolux supported eight suppliers and held 10 coaching and improvement meetings to encourage continuous quality improvement among suppliers.

For suppliers placed on the Watch Supplier List (WSL), Innolux requires the submission of weakness improvement reports and conducts long-term tracking to ensure the effectiveness of corrective actions. In addition, the Company implements procurement restriction or prohibition decisions where necessary, thereby influencing procurement decisions to ensure the rigor and stability of supply chain quality management.

Note: A: Score ≥ 95; B: 85 ≤ Score < 95; C: 65 ≤ Score < 85 (coaching required); D: Score < 65 (consultation and production volume adjustments required)

Four Key Dimensions of SQPR Evaluation



4

A Harmonious Workplace and a Prosperous Society



- ✓ Local managers accounted for more than **89%** of management at each production site
- ✓ A **higher** promotion rate among female employees compared to male employees in the last four years
- ✓ In 2025, annual average training hours per employee reached **118 hours**
- ✓ The overall satisfaction score in the Employee Engagement Survey reached **84**
- ✓ **0.13** disabling injury frequency rate (DIFR) for the year, **best** by far
- ✓ **NT$21.4M** invested in employee healthcare
- ✓ Occupational disease rate ODR = **0**
- ✓ More than **75** net-zero environmental education courses held cumulatively, with **7,225** participants trained

Management Approaches

Material Sustainability Issue	Strategy	2024 Target	2024 Result	Target Achieved?	2025 Target	Medium- to Long-term (2030) Goals
 Talent Development and Training	Craft limitless career paths for employees through digital transformation and stratification	≥110 average training hours per employee	118.1 average training hours per employee	●	≥110 average training hours per employee	≥160 average training hours per employee
 Occupational Health and Safety	Minimize occupational hazards by fostering a "health and safety first" culture	DIFR ≤0.26	DIFR = 0.13	●	DIFR ≤0.24	DIFR ≤0.22
		DIFR among contractors ≤0.25	DIFR = 0.35	●	DIFR ≤0.25	DIFR ≤0.25
		≤12.5% employees at risk of chronic diseases	13.4% employees at risk of chronic diseases	●	≤12.5% employees at risk of chronic diseases	≤12.5% employees at risk of chronic diseases
		≥90 counseling rate for mental health high-risk employees	96% counseling rate for mental health high-risk employees	●	≥90% counseling rate for mental health high-risk employees	≥90% counseling rate for mental health high-risk employees
 Talent Recruitment and Retention	Implement comprehensive human resource system and planning to attract the right amount of the right talent at the right time	Professional talent retention rate ≥80%	Professional talent retention rate ≥87.88%	●	Professional talent retention rate ≥80%	Professional talent retention rate ≥85%

4.1 / Talent Recruitment and Retention

GRI 2-7、2-8、2-21、201-3、202-1、202-2、203-2、401-1、401-2、401-3、404-2、404-3、405-1、405-2

Innolux regards talent as the core driver of corporate sustainability and is committed to building a diverse and competitive workplace through well-developed internal and external strategies. In terms of talent attraction, Innolux extends its sustainability vision to campuses and uses digital recruitment and innovative channels to enhance brand appeal and optimize the recruitment experience. In terms of talent retention, the Company promotes a culture of diversity, equity, and inclusion (DEI) and creates a high-quality work environment through flexible working hours, remote work arrangements, and benefits that go beyond statutory requirements. Furthermore, by strengthening employees' career development trajectory, Innolux continues to deepen the Group's talent capital and ensure shared growth across the organization and its employees.

4.1.1 Talent Blueprint

Building a Shared Vision for Diverse Careers

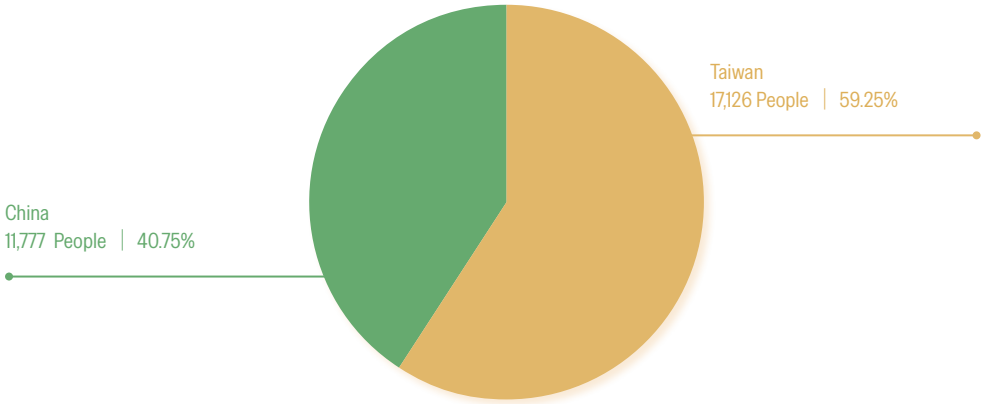
Guided by its core transformation philosophy of "More than Panel", Innolux actively advances intelligent and dual-track transformations while expanding into diverse application fields. To support this vision, the Company has adopted a dual-track talent strategy. Externally, Innolux strengthens its employer brand for its dual-track transformation through campus engagement and digital recruitment, creating an innovative, friendly, and efficient candidate experience to target and attract key talent. Internally, the Company is committed to building a diverse and inclusive workplace culture. Through flexible work arrangements and encouragement of cross-disciplinary challenges, Innolux broadens employees' career development opportunities.



In support of its global deployment, Innolux not only actively recruits international talent, but also promotes its "Overseas Talent Advanced Study Program", supported by a systematic talent development blueprint, to create a career platform with an international perspective.

Innolux will continue to foster a friendly work environment that supports work-life balance, working together with employees to create a sustainable future.

Global Talent Distribution



Company-Wide
28, 903 People | 100%

Increased Collaborations with Universities in the Development of Future Talent

Amid the rapid evolution of the technology industry, talent is not only the core engine that drives innovation, but also a key force deeply rooted in Innolux's brand DNA. In addition to continuously enhancing internal talent development, we are also committed to deepening industry–academia collaboration. Through long-standing partnerships with universities and colleges in Taiwan, we actively work to bridge the gap between academic learning and practical application. We have designed diverse summer and academic-year internship programs that provide students with hands-on opportunities in R&D and production environments. By participating in practical projects and learning by doing, students are able to explore their career directions before graduation. In 2025, Innolux welcomed approximately 40 interns. Through immersive workplace experience and customized projects, the Company effectively helped young talent connect with the industry, while building a pipeline of key talent for the sustainable development of the technology sector.

4.1.2 Employee Development and Turnover

By providing internal career plans, talent mobility mechanisms, and employee care packages, Innolux strives to create a stable environment for employee development, which in turn strengthens organizational resilience and adaptability. Against the backdrop of global industrial and corporate transformation, the Company has attached great importance to internal promotion/transfer opportunities, allocating human resources to best match the right talent to the right role while safeguarding employees from the impact of corporate transformation, and in so doing, enhancing the overall competitiveness of the company.

In-House Talent Development and Job Rotation

Innolux uses its internal job matching platform to publish open, transparent, and timely job vacancy information. Based on the expertise required for each position, the Company matches internal talent with suitable roles, enabling departments to meet staffing needs quickly while ensuring that employees are assigned to positions that best fit their capabilities.

To increase internal development pathways and diverse learning opportunities for employees each year, Innolux continues to promote an internal cross-functional transfer mechanism, facilitating internal talent mobility and supporting the Company's goal of placing and retaining talent in suitable roles. In 2025, the Company's internal hire rate reached 37.14%, a slight decrease from 41.84% in 2024. Nevertheless, the figure highlights the effectiveness of Innolux's internal promotion and talent redeployment mechanisms. These efforts not only enhance employees' opportunities for stable career development, but also help mitigate the impact of workforce adjustments brought about by corporate transformation.

Internal hire rate

Internal hire rate (%)		37.14%
Gender	Men	20.57%
	Women	6.51%
Age	<30 years old	1.04%
	30–50 years old	23.70%
	>50 years old	2.34%
Role	Managerial	0.78%
	Non-Managerial	26.30%

Local Talent in Managerial Roles

Innolux attaches great importance to talent development for the global market. The Company has implemented management localization to increase opportunities for local talent to develop their careers. By offering internal training, job matching, and long-term development programs, the Company has increasingly promoted talented local hires to managerial roles, ensuring stronger connections between the Company and local markets and improving the local adaptability of business decisions.

Percentage of Local Managers

Site[Note 1]		Local Managers	Non-Local Managers	Percentage of Local Managers %	Percentage of local senior executives company-wide[Note 2] %
Taiwan		1,384	3	99.78%	100%
China	Ningbo	277	21	92.95%	0%
	Foshan	214	24	89.92%	0%

Note: Based on employee data as of December 31, 2025.

Note1: Local managers in Taiwan refer to managers of Taiwanese nationality (assistant managers and above); local managers in China refer to managers of Chinese nationality (entry-level managers and above).

Note2: Senior executives refer to managers within two levels below the CEO.

Employee Turnover Analysis

To accelerate its entry into the high-value Fan-Out Panel Level Packaging (FOPLP) sector, Innolux has advanced capacity consolidation and organizational streamlining, adjusting its workforce structure in phases in line with transformation needs.

Through rigorous workforce monitoring, employee stability across the Group improved significantly in 2025, with both the overall turnover rate and voluntary turnover rate improving since 2024. In response to personnel changes arising from production line optimizations, the Company upheld the principle of respecting employees' wishes and prioritized internal transfers across sites, as well as career transition guidance, to help employees move into new technology-related roles. For employees who did not wish to remain with the Company, Innolux offered a streamlined voluntary separation program with terms more favorable than statutory requirements. The Company also proactively connected employees with resources from the Ministry of Labor and the National Science and Technology Council, providing skills retraining and professional career transition consulting. These measures ensured that employees' rights and interests were effectively protected during the organizational transformation process, while supporting their smooth career transition.

New Hires

Item	2022	2023	2024	2025
Total Number of Recruits	4,661	4,259	4,593	1,842
Percentage of New Hires[Note 1]	11.1%	11.7%	13.7%	6.49%
Average Hiring Cost[Note 2] in NTD	4,500	4,013	12,259	11,104

Note: Based on employee data as of December 31, 2025.

Note1: Percentage of new hires = (Total number of new hires/Total number of employees at year-end)X100%

Note2: Average hiring cost = Cost of recruitment/Number of employees hired during the year

Composition of New Hires

Distribution of New Hires		2022	2023	2024	2025
Gender	Men	3,121	2,904	3,393	1,269
	Women	1,540	1,355	1,200	573
Age	<30 years old	2,947	2,897	3,102	1,253
	30–50 years old	1,707	1,356	1,486	579
	>50 years old	7	6	5	10
Region	Taiwan	1,477	1,067	232	184
	China	3,184	3,167	4,353	1,658

Note: Based on employee data as of December 31, 2025.

Number of Employees who Leave the Organization (by age)

Item		Taiwan	China	Total
2022	<30 years old	1,277	13,728	15,005
	30-50 years old	1,996	6,013	8,009
	>50 years old	55	28	83
	Total	3,328	19,769	23,097
2023	<30 years old	889	5,976	6,865
	30-50 years old	2,302	3,367	5,669
	>50 years old	217	14	231
	Total	3,408	9,357	12,765
2024	<30 years old	670	4,923	5,593
	30-50 years old	1,668	1,962	3,630
	>50 years old	137	17	154
	Total	2,475	6,902	9,377
2025	<30 years old	447	4,039	4,486
	30-50 years old	2,119	1,715	3,834
	>50 years old	294	11	305
	Total	2,860	5,765	8,625

Note: Based on data as of 2022.

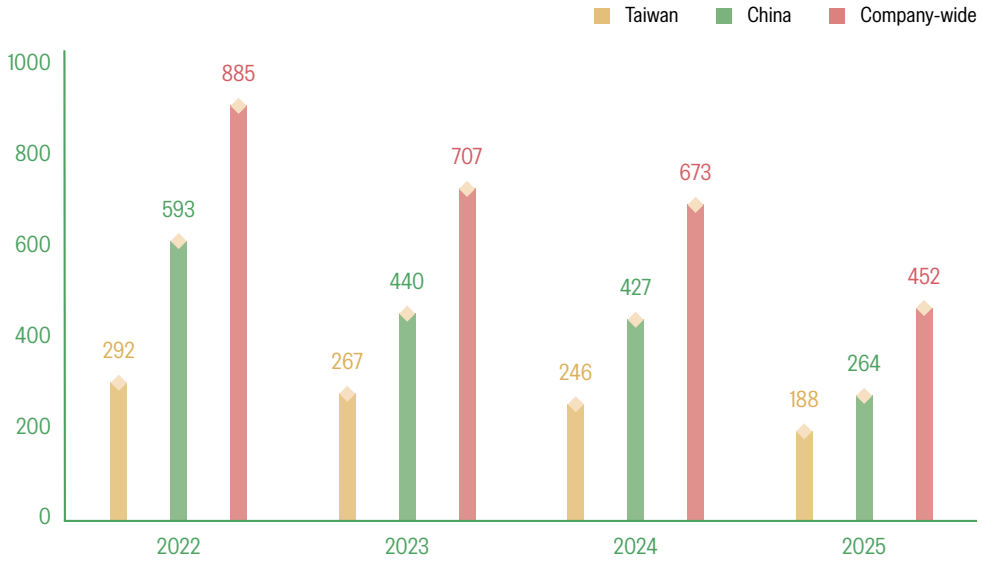
4.1.3 Diversity and Inclusion

Innolux is committed to fostering a diverse, equitable, and inclusive (DEI) workplace. The Company ensures equal treatment for all employees in terms of employment, remuneration, promotion, and career development, aiming to enhance competitiveness and drive innovation through cultural inclusion and talent diversity.

A Friendly Workplace for Employees with Disabilities

To ensure job security for people with disabilities, Innolux became the first in the industry to launch a "job redesign" initiative that creates a safe, stable, and welcoming work environment. The Company evaluates standard operating procedures (SOPs) and adjusts workflows to enable employees with disabilities to fully realize their potential and access the necessary support at work. This approach not only ensures regulatory compliance but also addresses the upskilling needs of employees with disabilities, enabling them to perform as effectively as their colleagues and feel a stronger sense of identity and belonging in the workplace.

In 2025, Innolux employed 188 people with disabilities in Taiwan (1.10% based on a moderately-to-heavily weighted average) and 264 in China (2.26%), both exceeding local regulatory requirements.



Gender Equality and Career Development for Women

Innolux is committed to providing women with equal opportunities in employment, pay, and promotion without discrimination based on gender, ethnicity, age, or disability status. By establishing a women-friendly workplace—through grievance channels, sexual harassment prevention policies, and maternal care programs—the Company supports female employees in achieving work–life balance and professional growth.

As of 2025, 21.52% of female employees at Innolux are employed in STEM-related fields. The Company aims to increase this figure to 22% by 2030 by introducing targeted talent development initiatives and internal support programs that empower women in the tech industry and promote gender diversity.

Percentage of Female Employees[Note 1]

Item	2020	2021	2022	2023	2024	2025
Total	39.84%	40.54%	40.65%	38.44%	36.85%	36.94%
Managers	18.81%	19.47%	19.61%	19.60%	17.94%	19.08%
Entry-Level Managers	20.30%	20.96%	20.89%	20.77%	18.77%	20.05%
Executives	6.25%	6.25%	7.69%	9.09%	11.48%	12.50%
Sales Managers	41.03%	41.30%	30.43%	32.56%	31.25%	39.02%
STEM[Note 2]	20.53%	21.53%	21.52%	21.57%	21.11%	21.52%

Note: "Total": all female employees; "Managers": all female managers; "Entry-level managers": all entry-level female managers; "Executives": female executives who are within two levels of command of the CEO; "Sales managers": Top/mid/entry-level female sales managers.

Note1: Calculation includes female employees in Taiwan and China.

Note2: STEM (Science, technology, engineering, mathematics)-related positions include chief engineers, senior engineers, engineers, and associate engineers.

Workplace Adaptation and Development for Immigrant Workers

Innolux currently employs 2,200 immigrant workers from the Philippines and Vietnam. Since 2021, the Company has implemented a zero-recruitment-fee policy and reimbursed previously collected fees in 2022, in alignment with RBA standards and international labor conventions. Innolux also provides a range of support measures to help immigrant workers adapt to their work and living environments in Taiwan.

Human Rights and Employment Protection

Innolux firmly believes that protecting the fundamental human rights of every employee is at the cornerstone of sustainable operations. To this end, the Company strictly follows the Responsible Business Alliance (RBA) Code of Conduct and fully implements a zero-fee recruitment policy, ensuring that all employees, especially foreign migrant workers, are treated fairly and with respect throughout the recruitment and employment process. Under this policy, all recruitment-related expenses, including overseas and domestic agency fees, medical examination fees, visa fees, and document processing fees, are fully covered by the Company. If employees paid any such fees before arriving in Taiwan, Innolux reimburses them in full. This policy is designed to eliminate recruitment-related debt and substantially reduce employees' financial burden. In addition, upon completion of their contracts and return to their home countries, the Company also covers return airfare, ensuring that employees can complete their terms of employment without concern. Through these concrete measures, Innolux is committed to creating a safe, dignified, and exploitation-free workplace that effectively safeguards the rights, interests, and well-being of every employee.

International Friendship Week



In 2025, to deepen interactions between local and foreign employees and celebrate the International Day of Friendship on July 30, Innolux held a series of themed activities themed "International Besties." Through cross-cultural interactive activities, the program centered on cultural exchange, mutual understanding, diversity, and shared inclusion, creating an open and engaging platform for employees from different cultural backgrounds to build friendships in a relaxed atmosphere. These efforts continued to promote a workplace culture of diversity, equity, and inclusion (DEI).The event attracted a total of 5,795 participants, with overall satisfaction reaching 87.1 points. In addition, Innolux organized diverse dormitory activities based on migrant workers' interests and home-country festivals, and established four clubs, including a Mandarin learning club. Through three major themes—cultural experience, language learning, and sustainable handicrafts—the Company strengthened cultural understanding, helped employees develop secondary skills, expanded their future employability after returning home, and further promoted cultural inclusion.

Employee Diversity Analysis

SASB TC-HW-330a.1

Diversity

Item		Number of Employees	Percentage
Taiwan	Employees with Disabilities	188	1.10%
	Migrant Workers[Note 1]	33	0.19%
China	Employees with Disabilities[Note 2]	264	2.26%
	Minority Employees[Note 3]	2,223	19.65%
	Migrant Workers[Note 4]	59	0.52%

Note1: "Migrant workers" refers to full-time, non-Taiwanese workers in Taiwan.

Note2: Number of employees with disabilities is based on moderately-to-heavily weighted average.

Note3: "Minority employees" refers to non-Han ethnic groups from China.

Note4: Migrant workers" (in China) refers to full-time non-Chinese workers in China.

Nationality

Nationality	Percentage of Employees[Note 1]	Percentage of Employees in Managerial Roles[Note 2]
Taiwanese	51.28%	74.62%
Chinese	39.99%	24.97%
Other[Note 3]	8.73%	0.41%

Note: Includes all employees based in Taiwan, China, and other overseas sites.

Note1: Number of employees with the specified nationality divided by total number of employees.

Note2: Number of managers (including entry/mid/top-level managers) with the specified nationality divided by total number of managers.

Note3: Employees who are neither Taiwanese nor Chinese.

Employee Categories and Structure

Gender, Ethnicity[Note 1]

Type of Employee			
Gender		Ethnicity	
Female	Male	Asian	Other
Mid or higher level manager[Note 2]			
32	220	252	0
Technical staff[Note 3]			
7,975	10,547	18,462	0
Other[Note 4]			
2,536	7,128	9,660	4
Total			
10,483	17,895	28,374	4
Percentage			
36.9%	63.1%	99.9%	0.1%

Note1: Employees are categorized by nationality due to the difficulty of obtaining statistics on ethnicity. "Other" indicates employees of non-Asian ethnicity.

Note2: Assistant managers or higher management positions.

Note3: Process operators, equipment technicians, and any other technicians who possess the skills or technical capabilities to operate the production line.

Note4: The term 'others' encompasses administrators, support staff, sales, and general operational personnel.

Employment Categories in Taiwan

Item	Permanent – Full-time		Contract[Note 1]		Interns		Total	Dispatched		Outsourced Note[2]	
	Women	Men	Women	Men	Women	Men		Women	Men	Women	Men
Number of Employees	5,166	9,757	1,614	579	1	9	17,126	0	0	473	335
Total	14,923		2,193		10			0		808	
As a Percentage of Total	87.14%		12.81%		0.06%		100%	-		-	

Note: Based on employee data as of December 31, 2025.

Note1: Includes migrant workers and student participants in cooperative education.

Note2: Includes contracted security, cleaning, and kitchen staff.

Employment Categories in China

Item		Permanent – Full-time		Dispatched		Interns		Contract[Note 1]		Total	Outsourced[Note 2]	
		Women	Men	Women	Men	Women	Men	Women	Men		Women	Men
Number of Employees	Ningbo	2,328	4,885	148	312	0	0	0	0	7,673	81	121
	Foshan	1,378	2,675	12	39	0	0	0	0	4,104	95	90
	Total	11,266		511		0		0		11,777	387	
As a Percentage of Total		95.66%		4.34%		0.00%	0.00%	0.00%		100%	-	

Note: Based on employee data as of December 31, 2025.

Note1: Includes migrant workers and student participants in cooperative education.

Note2: Includes contracted security, cleaning, and kitchen staff.

4.1.4 Remuneration and Benefits

Innolux has made dedicated efforts to design a remuneration and benefit policy that keeps the company competitive while ensuring fairness within the company to attract and retain high-caliber professionals. To offer competitive remuneration, the Company periodically reviews market surveys of salaries and benefits, and adjusts our remuneration strategies accordingly when necessary, and assesses salary standards according to such factors as job position, experience, and skills. We have pledged to adopt and maintain a salary system that ensures no discrimination on the basis of gender, age, marital status, race, nationality, religion, or political opinion so as to create a fair and inclusive work environment.

In 2025, the average earnings of full-time employees in non-managerial roles across our Taiwan sites were NT$1,047,000, up 3.9% from 2024, indicating that our salaries are aligned with market trends. The median earnings of these employees was NT$849,000, reflecting the company's continued efforts to optimize its remuneration structure and ensure both fairness internally and competitiveness externally.

Earnings of Full-time Employees in Non-Managerial Roles

Site	Item	2024	2025	2025 (YoY rate of change[Note 1])
Taiwan	Total number of full-time non-managerial employees	20,450	17,741	-13.2%
	Average earnings (NT$ thousand)	1,008	1,047	3.9%
	Median earnings (NT$ thousand)	785	849	8.2%
China	Total number of full-time non-managerial employees	8,519	9,113	7.0%
	Average earnings (NT$ thousand)	431	433	0.5%
	Median earnings (NT$ thousand)	408	417	2.2%

Note: The statistical data are disclosed within the scope set by the competent authority and are accrual-based attributable to employees' earnings for the year, which includes regular earnings (base salary + monthly allowance for food or shift work), overtime pay, and irregular earnings (bonuses and employee remuneration based on profit for the year pursuant to Article 235-1, Paragraph 4 of the Company Act and the Innolux Articles of Incorporation).

Note1: YoY rate of change = (Figure for current year – Figure for previous year) / Figure for previous year.

The ratio between the highest and median earnings for 2025 and 2024 was based on the earnings of full-time non-managerial employees taking into account the company's operational growth and changes in its remuneration policies. The results revealed that the ratio of the highest to median earnings increased by 6.6 times for Taiwan and decreased by 0.3 times for China, suggesting that the sites in Taiwan and China had significantly different remuneration structures because of their respective operational strategies and changes in the market environment.

Remuneration Ratio Analysis

Site/Year	Max-to-Median Earnings Ratio		Year-to-Year Change in Maximum and Median Earnings[Note 1]
	2024	2025	2025
Taiwan	44.8x	51.4x	3
China	8.1x	7.8x	-0.7

Note1: Year-to-year change = A / B.

A = (Max earnings in 2025 – Max earnings in 2024) / Max earnings in 2024

B = (Median earnings in 2025 – Median earnings in 2024) / Median earnings in 2024

Innolux ensures that all employees in Taiwan are subject to the same salary standards and pay conditions irrespective of gender. Periodic reviews are conducted for gender pay gap issues to preserve fairness and equal pay for equal work for both men and women. In terms of average remuneration for men and women, female executives earned slightly more at 162% compared with their male counterparts on average in 2025. Female non-executive managers earned slightly less at 88% of their male counterparts on average. In general, the Company offered competitive remuneration and provided a wide range of benefits and facilities to support employees work–life balance.

Female-to-Male Remuneration Ratio

Site	Role[Note 1]		Women	Men
Taiwan	Indirect Employees	Executive Management	1.62	1.00
		Management	0.88	1.00
		Specialist	0.87	1.00
		Assistant	0.99	1.00
	Direct Employees	Technical	0.93	1.00
China[Note 2]	Indirect Employees	Management	1.03	1.00
		Specialist	0.93	1.00
		Assistant	NA	None
	Direct Employees	Technical	0.94	1.00

Note1: Executive management includes managers who are within two levels of command of the CEO. Management positions include all entry-level managers and above. Technical staff refers to Taiwanese technicians.

Note2: China sites have no executive management positions.

Standard-to-Minimum Wage Ratio for Entry-Level Positions

Gender	Taiwan	China	
		Ningbo	Foshan
Women	1.29	1.45	1.66
Men	1.29	1.48	1.71

Note: Standard earnings for assembly line workers include base salary and allowances for food and shift work.

Talent Retention

The Company's remuneration and benefit policy is designed to ensure both market competitiveness and fair pay. Salaries and benefits are reviewed regularly to ensure that the remuneration package encourages employee retention with the company. In 2025, our remuneration strategy was adjusted to account for the consumer price index (CPI) of Taiwan and China and other basic expenditures such as food, clothing, and housing to ensure a living wage. For direct employees, the Company offered above minimum wage and inflation-adjusted food allowances to ensure quality of life and income level. For indirect employees, the Company maintained a competitive rate by increasing salaries annually according to market rates (4%–5%), and continued introducing annuity term-deposit schemes (to which both the employer and employee contribute) to support employees' retirement plans.

Looking ahead to the future, we will continue to refine our remuneration and benefit policy and provide expanded benefits to preserve the competitiveness of our remuneration packages, thereby enticing talented people to join and stay with the Company. As part of our long-term goal, the Company aims to keep our remuneration level in the industry's top 25%–50% by 2030 and implement a fair pay strategy that creates a competitive and fair remuneration structure for the company and employees to grow together and strive for sustainability.

A Competitive Remuneration System

Paid Leave for a Better Work–Life Balance

Innolux is committed to creating a quality workplace that allows employees to strike a balance between their professional and personal lives. In addition to legally mandated annual leave, marriage leave, bereavement leave, and maternity/paternity leave, we provide a range of leave benefits that exceed statutory requirements, including family care leave, well-being leave, Inno Baby Leave, birthday Leave, filial piety leave, prenatal checkup accompaniment leave, and child companionship leave per year, affording employees the flexibility to plan days off and balance their personal and family needs.

Employees at our Taiwan sites are entitled to paid time off upon hiring, without being limited by the minimum service period set forth in the Labor Standards Act. This benefit assures employees even greater flexibility to take time off. Our China plants also offer paid time off in accordance with local regulations, enabling employees to request leave as needed for personal reasons to ensure a work–life balance.

Flexible Work Arrangements

Innolux strives to help employees achieve a work–life balance. With the option of choosing when to start work and where to work, our flexible work arrangements enable employees to fulfill family and work commitments without compromising productivity.

Flexible work arrangements mean that employees can choose the time of day for starting/finishing work that suits their needs and apply for work hour extensions once every quarter should they need to take care of their immediate family or spouse in case of emergency. Employees can work remotely for a total of 10 days, using telecommunications equipment such as the Internet and VPN services to ensure smooth work operations.

A Comprehensive Insurance and Retirement System

Innolux provides employees with social insurance coverage in compliance with local regulations to safeguard their fundamental rights and interests. For employees at our Taiwan sites, group insurance (covering death, major illness, medical expenses, accidents, and cancer) and overseas travel insurance are provided in addition to the mandatory labor (including employment) and national health insurance. We also extended group insurance coverage to employees' family members so that our employees can enjoy peace of mind at work and at home.

Smart Remuneration Management Platform

The Wing HR mobile application allows Taiwan-based employees to look up their salary payments, the company calendar, remaining paid time off, and tax withholding. They can also sign in and out of work, request leave, add/remove family members to/from insurance coverage, change their pension contribution percentage, update their bank account information, add or remove dependent family members for tax purposes, choose their desired form of employee bonus, and take online learning courses through the app. We have also developed new functions such as smart workplace and an employee remuneration package overviews to help employees get a better idea of their annual salary, bonuses, and benefits.

China-based employees can use WeChat to look up salary payments, remaining time off, shift schedules, recent events, and the latest company announcements.

Going Beyond Statutory Benefits

Item	Statutory Requirements	Approach to Go Above and Beyond Statutory Requirements
Flexible work location	None	Employees are provided with an annual quota of 10 days for flexible work location arrangements, allowing eligible employees to adjust their work location according to the nature of their work and personal needs.
Flexible working hours	None	A flexible working hours adjustment mechanism has been established.
Paid family care leave	None	Employees are entitled to one day of paid family care leave, allowing them to apply for leave without concern when they need to personally attend to family matters.
Well-being leave	None	Employees are entitled to one day of well-being leave, giving them the right to choose to rest when they feel the need to take time off for their physical or mental well-being.
Fertility treatment leave	None	Employees, or their spouses, undergoing assisted reproductive treatment are entitled to two days of fertility treatment leave to flexibly accommodate treatment needs.
Birthday leave	None	Employees are entitled to one day of birthday leave, which may be taken within one month before or after their birthday, allowing them to plan a personal day to celebrate.
Filial piety leave	None	Employees whose parents are aged 70 or older are entitled to one day of paid filial piety leave per parent per year, encouraging employees to arrange time to care for and spend time with their families.
Prenatal checkup accompaniment leave	7 days paternity leave including leave to accompany spouse to prenatal checkup	Employees are entitled to nine days of paid prenatal checkup accompaniment and paternity leave, exceeding statutory requirements and demonstrating the Company's concrete support for employees throughout their partner's pregnancy, as well as its proactive commitment to new families.
Child companionship leave	None	The Company supports parents in accompanying their children as they enter new stages of learning.
Volunteer leave	None	Volunteer leave has been established. Employees participating in public welfare activities organized by the Company's foundation may apply for leave based on the actual number of days required by the volunteer activity.
Citizen Judges Act	Employees are required to be granted leave for statutory reasons for the duration of their duties as a citizen judge. The Company determines eligibility for those who need to attend regional citizen judge mock trials during the transition to the enforcement of the new law.	We grant paid leave for employees participating in regional citizen judge mock trials, encouraging our team to actively engage in public affairs and fulfill their social responsibilities.
Insurance	Employees are enrolled in labor insurance, NHI, and the labor pension system on their starting date.	Group insurance (covering life, accidents, medical expenses, cancer, and overseas travel) is offered in addition to mandatory insurance policies. Preferential premium rates are available for dependents, and employees on unpaid medical leave remain covered during their absence.
Annual leave	Employees are entitled to annual leave with pay after having been employed for 6 months or longer.	New hires are granted annual leave in advance starting from their first day of employment, equivalent to the entitlement for six months of service. Upon completing six months, they receive the one-year entitlement, and so forth, ensuring employees enjoy early access to their leave benefits.

Note: Employees may take ordinary sick leave for injuries or illnesses. If not hospitalized, the total number of sick leave days shall not exceed 30 days per year, with half pay granted during the period of leave. This condition applies to ensure proper recovery while balancing employee benefits and operational continuity.

Employee Stock Ownership Plan (ESOP)

To uphold the spirit of co-prosperity, Innolux has launched an employee stock ownership plan (ESOP) and annuity term-deposits ("Annuity Plans") to share the fruits of our labor with employees and help them make early retirement plans. The launch of these benefits has helped strengthen employee cohesion and increased the employee retention rate, subsequently facilitating stable talent development for the sustainability of the organization.

Site	Number of Employees in ESOP/Annuity Plan in 2025	Number of Employees in ESOP/Annuity Plan who Remained in Service in 2025	Retention Rate of Employees in ESOP/Annuity Plan in 2025
Taiwan – ESOP	8,825	8,104	91.8%
China – Annuity Plan	1,577	1,503	95.3%

Retirement Planning

Taiwan

The Company engages an actuary to conduct actuarial calculation of the labor pension system and prepare a report. At the end of each financial year, we estimate the balance in our pension account to ensure that there is an adequate balance for pension payments in the following year, safeguarding the rights and interests of retiring employees.

China

In addition to the legally mandated pension and social insurance, an annuity term-deposit scheme is provided, with contributions made by both the company and employees themselves. Under this scheme, employees can choose how much of their paycheck they want to deposit in their account, while the Company contributes the equivalent of one month's salary to each employee's pension account every year. The balance of the account is made available to the employee upon retirement. This plan helps employees to build up retirement resources as early as possible.

A Supportive and Friendly Workplace for Mothers and Fathers

Innolux is committed to creating a friendly workplace environment that supports employees in balancing work and family responsibilities, and provides diverse and flexible childcare support measures. Employees may apply for different types of leave during pregnancy, the postpartum period, adoption, or when raising a child, depending on their caregiving role and needs. During pregnancy and childbirth, employees are entitled to approximately 2 weeks of paid leave for each child: 9 days for the pregnant employee and 11 days for their spouse. Employees may also apply for 24 weeks of paid parental leave at 80% of their insured salary for the purposes of raising a child.

Therefore, both primary caregivers[Note1] and non-primary caregivers[Note2] are entitled to paid leave exceeding the statutory requirement, up to 26 weeks before and after childbirth and while raising a child (excluding 8 weeks of maternity leave for the pregnant employee). This encourages both parents to take part in childcare and helps foster a family-friendly workplace culture.

Employees with at least six months of service are eligible to apply for unpaid parental leave, in line with local regulations such as the Gender Equality in Employment Act. The Company is fully supportive of this policy and assists employees throughout the childrearing process. In 2025, 158 employees from our Taiwan sites requested unpaid parental leave; 189 were set to be reinstated, but only 127 or 67% were reinstated. Among the 126 employees who were reinstated in 2024, 99 (79%) stayed with Innolux (as of the end of 2024), which shows that the maternity and parental support we offered has effectively helped parents return to the workplace. In the same year, employees from our Taiwan sites welcomed a total of 243 newborns, which accounted for approximately 3% of the total births in the Zhunan and Tainan areas, which reflects the positive impact and supportive nature of our benefits on employees' family life.

Maternity and Childcare Support

Pre-/Post-natal	› Regulatory requirements: We established maternal healthcare and assessment measures in accordance with the Maternal Healthcare Guidelines for Female Employees and other applicable guidelines. › Friendly measures: We provide pregnant employees and parents with priority parking, priority meal pick-up reminder service, priority seating, and priority elevators. › Paternity/Prenatal checkup accompaniment leave: Prenatal checkup accompaniment leave is granted to employees to support their partners and fulfill family responsibilities. › Parental Leave: Employees are entitled to apply for a 24-week paid parental leave at 80% of their insured salary, based on their childcare needs. · During pregnancy and childbirth, each child entitles the parents to 9 to 11 days of paid leave (9 days for the pregnant employee; 11 days for the spouse). In addition, both primary[Note 1] and non-primary[Note 2] caregivers are eligible for a total of 26 weeks of paid parental leave—9 to 11 days around childbirth and an additional 24 weeks during the child-rearing period—exceeding the statutory requirements. › Health management: We conduct maternal health risk assessments on female employees in Taiwan and China who report a pregnancy or are still within their first postpartum year.
Lactation Rooms and Childcare Resources	› Friendly facilities and child care support: We have set up breastfeeding rooms and offer childcare programs and parent-child events, and have organized family-friendly activities, courses, and parenting workshops to help employees achieve a work–life balance. › Child companionship leave: Child companionship leave is available for employees whose children are starting school for the first time, helping them accompany their children and ease their first-day anxiety.
Contracted Kindergartens and After-School Care	› Contracted kindergarten: We contract with kindergartens and provide company-to-school shuttle services to ease employees' burden and childcare stress. › Nursery: We have a shuttle service that transports children back to the company at the end of the school day and a nursery on premises where the children can play while waiting for their parents to finish work. This allows employees to stay focused at work without concerns about their children's safety.
Support for unpaid parental leave and reinstatement	› Return-to-work assistance: Before their parental leave concludes, we reach out to employees to discuss their plans to return to work, and assist in making arrangements (with respect to job position or work schedule) to ensure a smooth transition. › Retention results: 79% of employees who returned from unpaid parental leave continued to work for one full year or more. In 2025, 158 employees requested unpaid parental leave. These figures reflect the effectiveness of the company's support for returning employees.
Child care subsidy/ allowance	› Innolux welcomed 250 newborns in 2025 and approved a total of NT$500,000 in child care subsidies to support employees in their parenting journey.

Note1: Main caregiver refers to the individual who assumes the primary caregiving responsibilities during the birth, adoption, or upbringing of a child, regardless of gender or legal status.

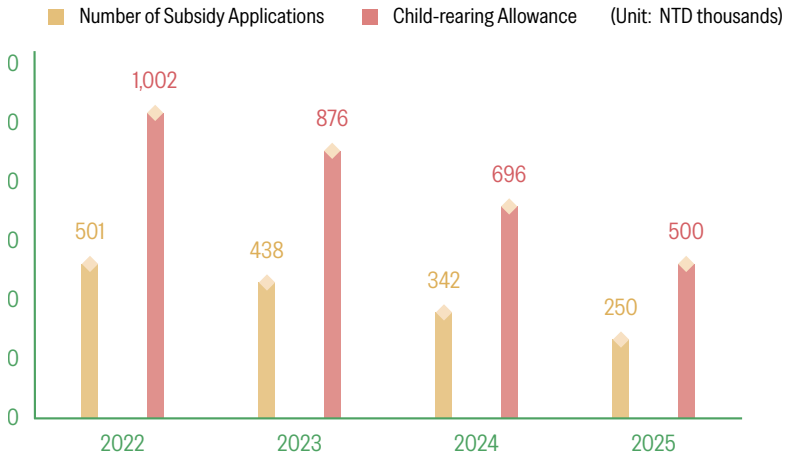
Note2: Non-main caregiver refers to the individual who co-parents the child with the main caregiver but does not serve as the primary caregiver in daily life.

Unpaid Parental Leave Analysis

Taiwan Sites	Women	Men	Total
Employees eligible for unpaid parental leave in 2025	311	645	956
Employees who applied in 2025	99	59	158
A: Expected reinstatements in 2025	115	70	185
B: Reinstatements in 2025	77	50	127
C: Employees who continued working for a year after reinstatement in 2024	68	31	99
D: Reinstatements in 2024	85	40	125
Reinstatement rate (%)=B/A	67%	71%	69%
Retention rate (%)=C/D	80%	78%	79%

Note: Number of employees eligible for maternity/paternity leave was calculated based on those eligible in 2025 among applicants from 2023 to 2025.

Applications for Child Care Subsidy



4.1.5 Performance Management and Development (PMD)

Performance management plays a critical role in improving individual performance, enhancing organizational effectiveness, and creating corporate value. Innolux continues to optimize its performance management system by incorporating six core competencies into its evaluation framework and integrating day-to-day management with performance evaluations to support diverse talent development.

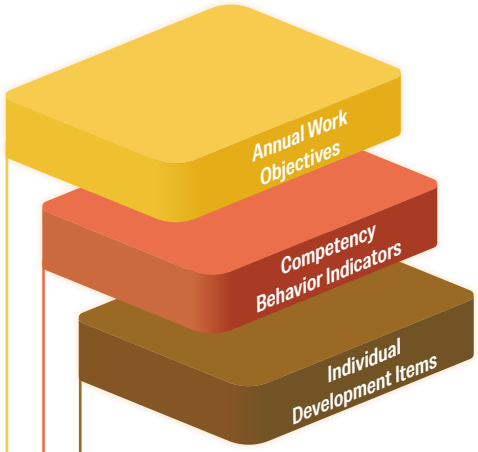
Performance Management and Development (PMD) Cycle

Innolux has adopted a cyclical performance management system encompassing initial goal setting, mid-year reviews, and year-end evaluations. Through daily management and continuous feedback, the system assists employees in focusing on key tasks, aligning with organizational goals, and enhancing implementation performance. At the beginning of each cycle, objectives must align with corporate, departmental, and individual strategies based on SMART principles. During mid-year reviews, progress is evaluated and adjusted based on progress and performance. At year-end, managers conduct comprehensive evaluations, provide feedback through interviews, and offer guidance for further development. Competency-oriented assessments also serve as a reference for development planning and talent inventory. In 2025, the performance evaluation completion rate for all formal employees worldwide reached 100%.

PMD Cycle



Performance Evaluation Framework



Annual Work Objectives

- Explain the achievement status of objectives set at the beginning of the period
- Provide links to work outcome reports to clearly demonstrate individual performance

Competency Behavior Indicators

- Describe concrete demonstration of behavioral competencies
- Assess whether the employee demonstrates Innolux core traits

Individual Development Items

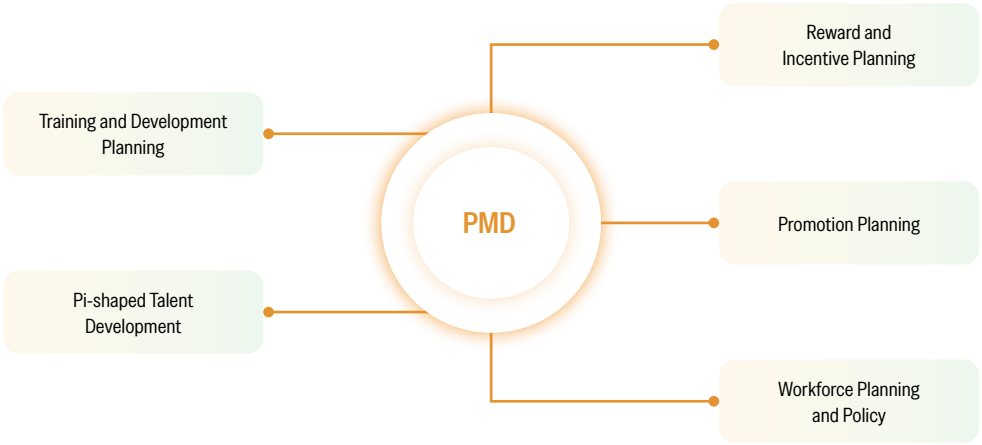
Based on evaluation results, set individual development items aligned with both personal competency needs and organizational expectations

Employee Performance Evaluation Methods

Evaluation Method	Target	Coverage	Frequency	Description
Goal-oriented	Employees	100%	Annual	Our performance evaluation and its framework are composed of three components: Work goals for the year, behavioral competencies, and individual development. Employees set annual work goals at the beginning of the year, and their performance in relation to these goals is reviewed and evaluated at the end of the year.
Multi-Dimensional Evaluation	Employees	100%	Annual	Employees are asked to conduct a self-assessment first before a secondary review by their superiors. This multifaceted review process ensures more accurate and holistic evaluations compared to traditional one-way methods.
Performance Rating	Employees	100%	Annual	Innolux has adopted a four-point rating scale for performance evaluations. Managers rate employee performance for the year using this rating scale.
Team Evaluation	Managers	8.2%	Annual	Innolux has established a multi-level team evaluation and management system. The annual strategy meeting, led by the CEO, sets the direction for medium- and long-term development. Through monthly management meetings and quarterly accountability conferences, the Company rigorously reviews team execution progress, allocates resources, and promotes cross-departmental collaboration.
Agile Evaluation	-	-	Continuous	Periodic meetings are held at weekly, monthly, and quarterly intervals to provide timely feedback and adjust strategies, ensuring that team objectives are achieved as scheduled. At the same time, project management systems and instant messaging tools are integrated to strengthen cross-departmental information sharing, communication of management decisions, and transparency of project progress, thereby enhancing the organization's overall responsiveness and execution efficiency.

Performance Management and Development (PMD)

Innolux implements the PMD (Performance Management and Development) system to conduct annual performance evaluations for all employees. The system integrates key talent development strategies to enhance organizational growth momentum and competitiveness.



Performance Evaluation Statistics

Target	Female	Male	Total	Percentage
Executive Management	5	7	12	100%
Middle Management	29	238	267	100%
Entry-Level Management	402	1,601	2,003	100%
Specialist/Technical Staff	927	1,444	2,371	100%
Other	8,998	14,289	23,287	100%
Total	10,361	17,579	27,940	100%

Note: Performance evaluations exclude employees who were hired within the past 4 months or who were on leave for more than 240 days.

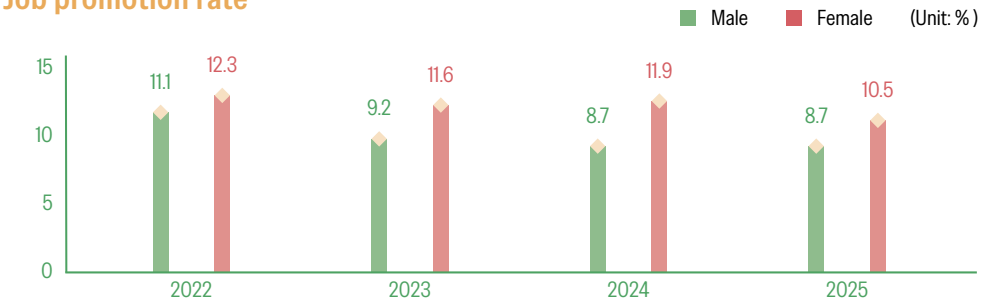
Deepening Dual Career Tracks and Advancing Gender Equality

Innolux is committed to creating a fair and suitable environment for employee growth by continuously optimizing its talent development strategies and implementing a dual career track system. The Company has established parallel managerial and professional career paths, enabling employees to advance their careers based on job performance and career aspirations. Employees are encouraged to move between different roles or departments, building cross-disciplinary practical experience along the way.

Innolux also incorporates multi-skill development outcomes into promotion assessments to ensure talent activation and development across the Company. In terms of gender equality, Innolux upholds a performance-based promotion principle and works to break down gender barriers in the industry, ensuring that women are empowered in their career development.

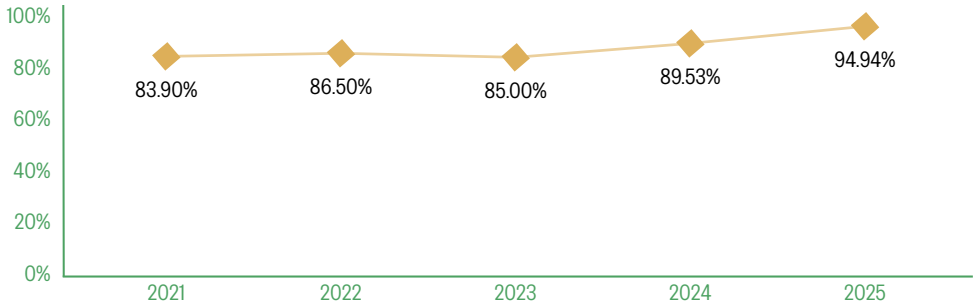
From 2022 to 2025, the promotion rate of female employees increased steadily, reaching 1.1 to 1.3 times that of male employees. Building on this solid progress, the Company has established clear talent development plans to continue deepening talent cultivation and ensure that all employees have access to suitable growth opportunities and a fair system that allows employees to enhance their competitiveness.

Job promotion rate



Note: Promotion rate = Number of promoted employees / Average number of employees.

Rate of internal promotion for management positions



Note: Rate of internal promotion for managers = Number of managers / (Number of internally promoted managers + Number of externally hired managers)

2025 Strategic Goals and Progress

Strategic Goals	We combined competencies and employees' future development opportunities, improved behavioral competencies through training, as outlined in the behavioral competency design certification and development plan, and strengthened both individual development and corporate competitiveness.
Progress	Innolux's PMD system involves six main competencies and incorporates day-to-day management as part of our year-end performance evaluations to facilitate talent diversification and development.

By using an improved performance management mechanism, Innolux effectively identified and fostered high-performing talent and incorporated these employees into our key business development plans to increase organizational productivity and competitiveness. A stable organizational environment that integrates in-house talent development programs and performance management practices has subsequently been created, which increased the employee retention rate and the company's competitiveness. Consequently, our overall turnover rate / voluntary turnover rate dropped to 27.6% / 26.4% in 2024 from 27.8% / 27.1% in 2024, exhibiting the effectiveness with which our internal development mechanisms attracted employees to stay with the company.

2030 Development Strategies

Talent Development and Diversification	Occupational training plans for newly appointed managers facilitate succession planning and leadership development.
Equality in Career Development	Gender-equal practices grant women opportunities for career development in technical and managerial positions.
Smarter Performance Management	Data analytics achieves more accurate and fairer performance evaluations.

Innolux will continue to align performance management and talent development to ESG goals to remain a sustainable and competitive organization by strengthening mechanisms that enhance organizational resilience, fairness, and career advancement.

4.1.6 A Warm and Welcoming Workplace

Innolux is committed to creating a happy and supportive workplace. Through health and welfare programs, age-friendly development initiatives, diversity, equity, and inclusion (DEI) efforts, and employee clubs and cultural engagement, the Company enhances employee satisfaction and corporate competitiveness while supporting employees' career growth.

Senior Employee Development



Innolux is an industry pioneer in promoting age-friendly development under the philosophy of "protecting employees' work, life, health, family, and financial security, to help them live a fulfilling second half of life." Through comprehensive initiatives, the Company supports employees in continuing to develop in the workplace while planning for the second half of their lives with confidence.

Through strategies such as age-friendly career development, health promotion programs, and the creation of friendly work environments, Innolux provides diverse support for senior employees and further strengthens organizational resilience.

In 2025, Innolux was named one of Business Weekly's Top 100 Age-Inclusive Companies, recognizing the Company's efforts and achievements in age-friendly development and the creation of an age-inclusive workplace. To further ensure the continuous optimization of its age-friendly development initiatives, Innolux is focusing on the following core areas, demonstrating its active commitment and strong performance in building an age-inclusive workplace.

Development Focus and Future Outlook

Lifelong Learning	2025 Actions and Results: Two sessions of senior citizen-themed Monopoly were attended by 254 people and received a satisfaction score of 4.65. 2026–2030 Development Goals: Expand scope of lifelong learning with a focus on career and retirement planning, and set up lectures on financial planning and mental health
Community Engagement	2025 Actions and Results: INNOWARM Act consolidated corporate and social resources to produce 236 hand knit warmers over 2,356 hours of volunteer service. The produced goods were donated to elderly people who live alone and vulnerable individuals. 2026–2030 Development Goals: Fulfill corporate social responsibility, establish a long-term volunteer service for lifelong learning, motivate charitable action, and increase intergenerational programs
Intergenerational Programs	2025 Actions and Results: By collaborating with social organizations, Innolux launched intergenerational activities such as volunteer services and generational wisdom programs to inspire interaction among multi-generational employees and community members, thereby fortifying organizational cohesion and social impact. 2026–2030 Development Goals: Enrich intergenerational co-creation programs by expanding the scope of collaboration, and take sustainable actions for multi-generational harmony to promote sustainable development and corporate social responsibility
Health Support	2025 Actions and Results: We provided 12,157 healthy meal boxes to ensure employees eat a balanced diet. 2026–2030 Development Goals: Increase healthy meal options and incorporate personalized health management plans
Age-Friendly Assistive Devices	2025 Actions and Results: In response to the prevalence of eye problems, we distributed nearly 20 large computer monitors and optimized on-site signage. 2026–2030 Development Goals: Continue to improve workplace facilities, ensure a friendly office environment

A Vibrant Workplace

In 2025, Innolux supported the establishment of a range of employee clubs that embody the spirit of diversity, equity, and inclusion, including a Mandarin learning club, bloggers' club, and dance club. With a budget of more than NT$2 million, the Company successfully achieved its annual target of 15% club growth.

Innolux also organized a variety of activities, including competitive events, family-friendly activities, health promotion experiences, and diverse learning lectures. We believe that through experiences and practices across different fields, and by encouraging the participation of foreign employees, every employee can discover and showcase unique talents and abilities.

Through exchanges among employees from different backgrounds, these activities help narrow cultural gaps, strengthen connections among colleagues, expand interpersonal networks, and build closer team cohesion through appreciation and inclusion.



Taiwan Dragon Boat Club



Ningbo Football Club



Foshan Running Club



INNO Friendship Week



Diving Club



INX Sports Day



Summer Party 2025 at Ningbo site



Family Day 2024 at Ningbo site



Training for employees with disabilities at Foshan site

4.2 / Talent Cultivation and Development

GRI 404-1、404-2

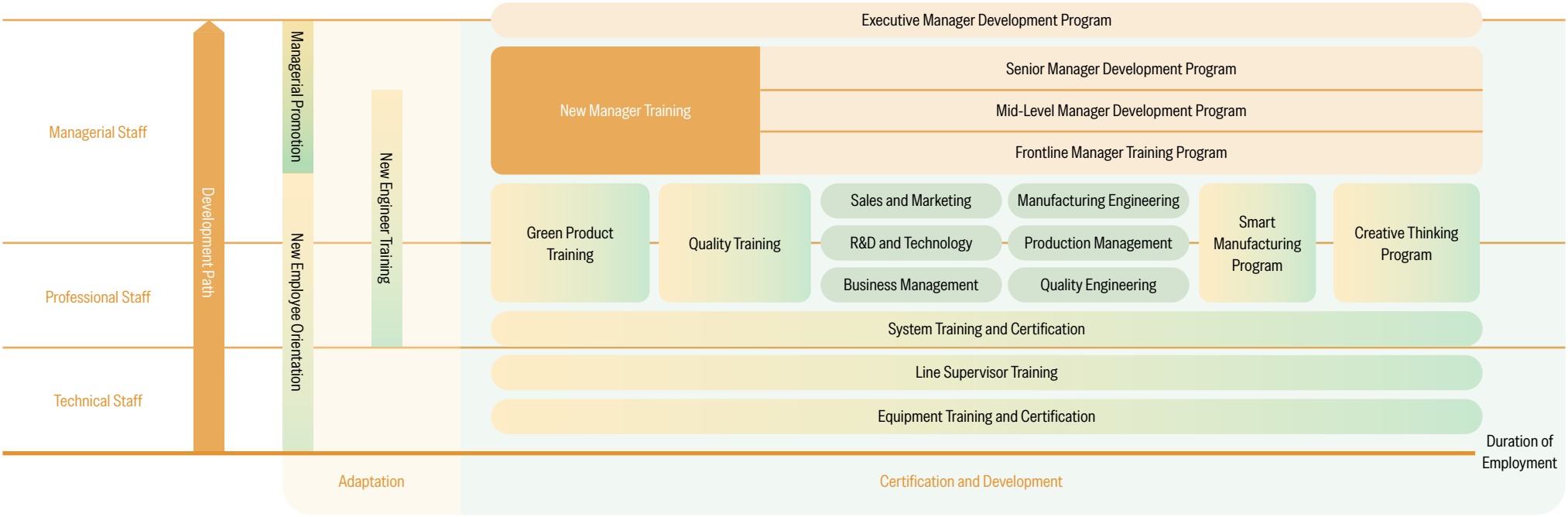
Innolux University, established to cultivate interdisciplinary digital talent, offers structured training and self-study programs for both new hires and current employees. Based on the Innolux Employee Development Position/Seniority Chart, these programs ensure employees have access to growth opportunities at different career stages. Those following the Leadership Development Path receive leadership training aligned with their career level, and over the past five years, more than 80% of participants have been promoted internally to management roles, reflecting our commitment to talent development.

In 2025, the Company focused on strengthening management capabilities, cultivating global talent, and advancing semiconductor expertise. Through Innolux University, we delivered a wide range of training programs to equip employees for upcoming industry transformations; enhanced semiconductor training and certification to build specialist capabilities; and implemented global talent development initiatives that expanded language and cross-cultural competencies.

Our continued investment in talent development resulted in more than 3.35 million total training hours, averaging 118.1 hours per employee.

Looking ahead to 2026, we aim to deepen the development of our Semiconductor College, foster high-level technical talent, and expand ESG and DEI training resources by introducing courses on climate change and sustainable supply chains. We will also scale up digital learning at Innolux University to boost autonomous learning and internal training efficiency. Meanwhile, we will refine our Leadership Development Path to further strengthen our management training and promotion systems, enhancing both organizational and talent competitiveness.

In keeping with Innolux's 3Vs operating strategy—Create Value, Drive Value, and Share Value—and the Company's talent cultivation needs, Innolux University has established 24 programs across five colleges and one center. These programs provide learning opportunities for managers and employees to strengthen their knowledge of digital transformation, management competencies, professional skills, and diverse foreign languages. The results are as follows:



Training Statistics

By employee category

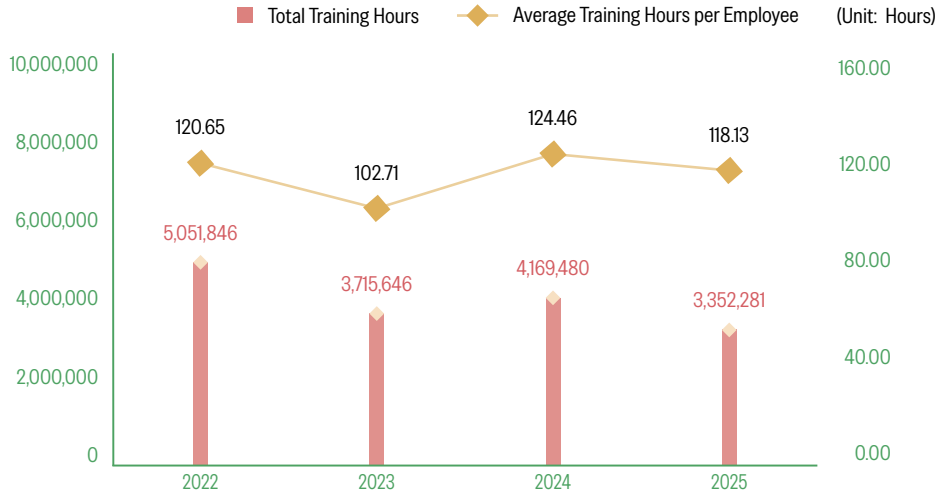
Average training (hours)		Management (Section Chiefs and above)		Indirect Employees		Direct Employees	
		Women	Men	Women	Men	Women	Men
Taiwan sites		15.5	24.2	20.2	29.6	1.8	9.3
China sites	Ningbo	16.8	16.8	12.3	12.7	4.9	5.1
	Foshan	11.0	11.8	9.2	7.0	1.1	1.5

Note: Average training hours = Total training hours / Number of employees in that category. Training hours include hours completed by resigned employees, and training hours exclude hours completed by student participants in cooperative education and interns.

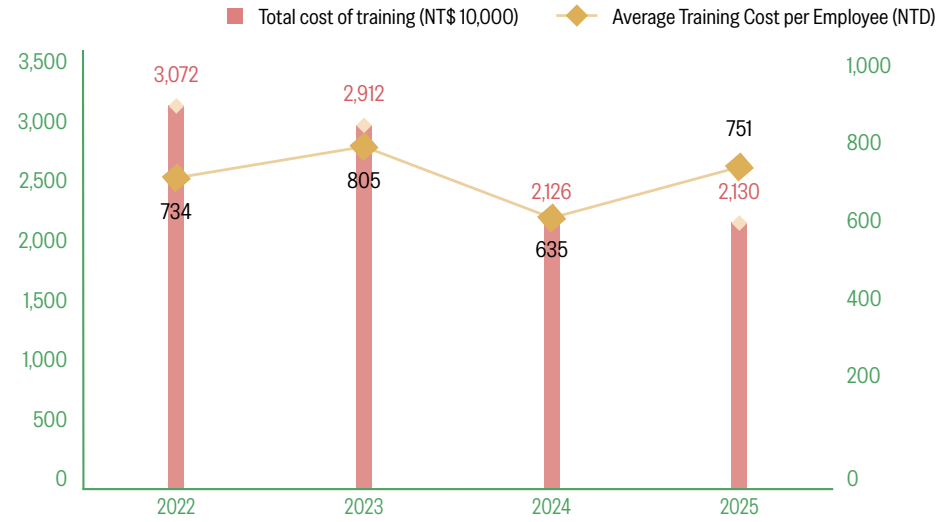
By course

Course	Taiwan Sites	China Sites	
		Ningbo	Foshan
College of Management	3,786	1,363	464
Semiconductor College (new)	592	0	0
Display College	34,799	23,186	472
College of Operations (new)	69,153	6,922	5,495
Frontier College	1,358	12	3
Liberal Education Center	17,906	5,231	2,115
Labor Laws and Employee Relations – for production line supervisors	121	31	0
Responsible Business Alliance (RBA) Code of Conduct	6,579	933	838

Training hours



Training costs



Training Effectiveness Review

Course title: Management training programs

Description		Evaluation Framework and Results				
		Level1 Response (Satisfactory)	Level2 Learning (Examination)	Level3 Behavior	Level4 Result	Level5 Return on Investment (ROI)
Course Content	Based on INX management competencies and senior executives' expectations, required courses are defined for managers at each level of the organization. Through a systematic and structured approach, managers at all levels are expected to complete relevant training and apply what they have learned effectively in their roles.					
Targets	Managers across all organizational levels	Assesses whether learners were satisfied with the course and the instructor.	Summative learning assessment.	Assesses whether the knowledge and skills acquired during the learning process are actually used in the workplace.	Assesses how the training contributed to the organization in terms of cost.	Assesses the ROI of training.
Objectives	To enhance managers' management competencies, cultivate successful new candidates at all levels, and strengthen overall team mobility across the Company.	Satisfaction score 4.3 (out of 5)	Effectiveness rating 87.7 (out of 100)	303 employees were selected as reserve or acting managers at various levels.	69.5% were promoted.	NA

Innolux University

College/Center	Courses Offered	Description
College of Management	• Empowerment Program • Production Program • Execution Program • Leadership Program • Strategy Mastery Program • Business Acumen Program	The management training system is designed according to job-level needs, with courses centered on five major management competencies: operations, strategy, leadership, execution, and empowerment. In addition, the Productivity Program focuses on strengthening production supervisors' practical skills in effective quality, efficiency, and on-site management, fully supporting the Company's operational goals.
Semiconductor College	• Quality requirements • Professional knowledge • Qualification learning	To support the Company's advanced packaging business, 15 program cohorts were conducted to broaden technical knowledge, while professional certification was promoted to deepen core competencies. These efforts have helped build a talent pipeline and enhance technical and quality management capabilities.
Display College	• Engineering • Upskilling	We organized Engineering+ course activities, providing learning topics that ranged from presentation skills and language skills to generative AI applications.
College of Operations	• Sales 101 • Sales techniques • Presentation skills	In response to the Company's operating strategy, Innolux created the "Sales and Marketing Program" to help employees better understand international market trends, deepen customer loyalty, and expand product market share, with the goal of achieving stronger sales performance. The program provides practical training in market knowledge and sales techniques to strengthen sales personnel's hands-on capabilities.
Frontier College	• Artificial Intelligence (AI) • Business Intelligence (BI) • Digital Transformation Lectures	The College offered AI and BI learning courses and organized digital transformation lectures to stimulate innovation in technological applications.
Liberal Education Center	• Foreign language training	To strengthen employees' international communication and practical application capabilities, the Company has integrated online and offline resources to provide comprehensive language training solutions. For online self-directed learning, Innolux uses learning platforms and internal business language resources to expand the range of available learning opportunities.

4.3 / Labor Rights and Relations

GRI 2-23、2-24、2-25、2-26、406-1、408-1

4.3.1 Respect for Human Rights

Human Rights and DEI Policy

Innolux demonstrates a strong commitment to human rights and firmly believes that supporting and implementing international human rights standards is essential to achieving sustainable development.

To this end, the Company has formulated a rigorous Human Rights and Diversity, Equity, and Inclusion Policy in accordance with leading international standards, including the United Nations Universal Declaration of Human Rights (UDHR), the UN Global Compact, the UN Guiding Principles on Business and Human Rights (UNGPs), the standards of the International Labor Organization (ILO), and the Responsible Business Alliance (RBA) Code of Conduct. This commitment applies to employees and contract workers worldwide, and extends to customers and supply chain partners, ensuring that all business activities are founded on respect for human rights.

Innolux implements this commitment in daily operations through systematic management. Specific provisions related to human rights protections are clearly set out in key Company documents, including the Code of Conduct, Employee Handbook, Work Rules, Recruitment and Employment Rules, Sexual Harassment Prevention, Complaint, and Management Procedures, Principles for the Prevention of Wrongful Harm During the Performance of Duties, and Greater China Code of Practice for Employee Care and Assistance. These clear regulations highlight Innolux's commitment to building a workplace that upholds freedom of employment, humane treatment, zero tolerance for discrimination and harassment, and provides accessible grievance channels.

This responsibility also extends beyond the Company. Through the Supplier Corporate Social Responsibility Code of Conduct Operating Standards, Innolux extends the same human rights standards to all business partners, working together to build a respectful and inclusive value chain.

Innolux Human Rights and Diversity, Equity, and Inclusion Policy

Implementation Guidelines

Our human rights policy applies to Innolux and its subsidiaries, including employees and operating activities, as well as our suppliers, subcontractors, contractors, and clients, among other value-chain partners.

- Equal employment opportunities and treatment, no discrimination or differences due to factors such as race, ethnicity, skin color, national origin, gender, sexual orientation, gender identity, physical disability, marriage, pregnancy, age, political orientation, religion, etc. We also emphasize the principle of equal remuneration for equal work to practice the workplace value of diversity, equity and inclusion.
- Forced labor, child labor, and human trafficking are prohibited in business activities or supply chains.
- Comply with all applicable wage, benefit and working hours regulations; provide employees with a reasonable living wage and a statutory paid annual leave entitlement; and ensure freely chosen employment.
- Provide a safe, healthy, humane treatment and non-harassment and bullying working environment. Promote employees' work-life balance through reasonable working hours managementand providing communication channels.
- Respect the rights of employees to have the freedom of association and join various social organizations.
- Maintain positive labor relations and provide multiple communication platforms.
- Respect and protect the collection and use of personal data to act in compliance with legal requirements.
- Adhere to the principles of integrity and honesty, abide by the anti-corruption act of the country where the business is located, and prohibit any form of improper advantages.
- Implement responsible procurement and production ensure an adequate and effective conflict minerals and illegal logging suppliler chain to create a sustainable supplyier chain management system.
- Regularly identify and assess human rights-related risks, formulate mitigation and remedial measures, and provide multiple grievance channels.
- Commit to complying with the labor laws and regulations of our operating regions. Prior to any mass termination, we will conduct necessary labor-management communications and ensure that statutory minimum notification or consultation periods are met to protect employees' rights.

Human Rights Risk Management

Innolux identifies human rights risk issues annually in accordance with its Human Rights Risk Management Process. The Company analyzes the probability and severity of potential impacts to identify significant human rights risks related to its operations, value chain, and business activities. Corresponding action plans are then established, and various mitigation and remediation measures are implemented to minimize potential impacts.

Identify significant risks related to human rights	Identify risks by following international human rights conventions, local regulations, and industry guidelines
Conduct human rights due diligence	Assess risks according to probability and severity of human rights impact
Identify material human rights issues	Compile assessment results into a human rights risk matrix, and rank material human rights issues
Address material human rights issues	Establish action plans (including mitigation and remediation measures) for material human rights issues

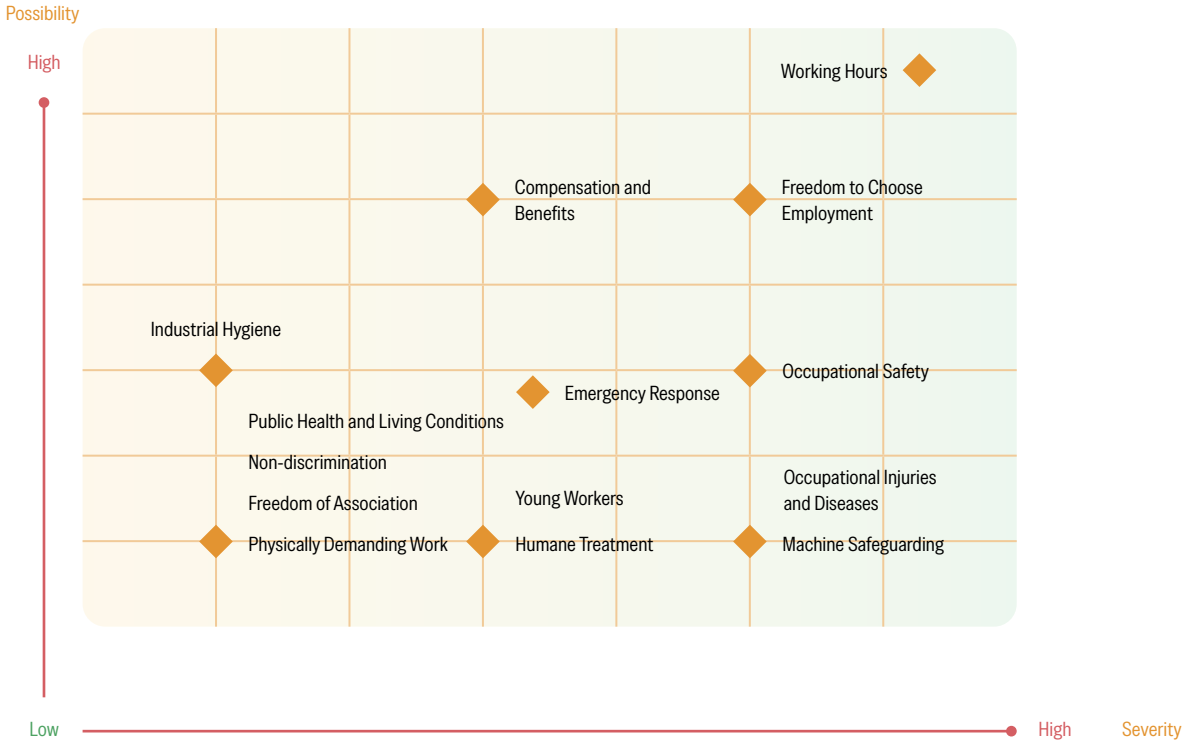
Human Rights Due Diligence

To fulfill its human rights commitments, Innolux has established a systematic human rights risk management framework. In accordance with international conventions, local laws and regulations, and industry standards, the Company has developed an identification list covering 14 core human rights issues across three major dimensions.

These dimensions include labor rights, such as freely chosen employment, young workers, freedom of association, working hours, wages and benefits; humane treatment and respect, such as non-discrimination and humane treatment; and occupational health and safety, such as occupational safety, industrial hygiene, physically demanding work, machine safeguards, emergency preparedness, occupational injury and illness, and sanitation, food, and housing.

Each year, Innolux conducts rigorous human rights due diligence to proactively identify potential risks that may arise from its own operations, value chain, and business activities. The assessment results and improvement plans are reported to the annual Sustainable Development Committee. Through this robust governance cycle, Innolux ensures that human rights protection is not merely a static policy declaration, but an ongoing management practice that continues to improve over time. In doing so, the Company upholds human rights values to the highest standards.

Human rights risk matrix



Dimensions: Labor rights				
Human Rights Issue	Stakeholders	Investigation Management Approach	Likelihood	Severity
Freely chosen employment	✓ Employees[Note 1] ✓ Startups[Note 2] ✓ Suppliers[Note 3] □ Clients □ Communities	» Annual CSR internal audits » RBA SAQ and Validated Audit » RBA audits » Sustainability issue questionnaire surveys » Annual supplier CSR risk assessments	Medium	Medium
Young workers	✓ Employees ✓ Startups ✓ Suppliers □ Clients □ Communities	» Annual CSR internal audits » RBA SAQ and Validated Audit » RBA audits » Sustainability issue questionnaire surveys » Annual supplier CSR risk assessments	Low	Medium
Freedom of association	✓ Employees ✓ Startups ✓ Suppliers □ Clients □ Communities	» Annual CSR internal audits » RBA SAQ and Validated Audit » RBA audits » Sustainability issue questionnaire surveys » Annual supplier CSR risk assessments	Low	Low
Working hours	✓ Employees ✓ Startups ✓ Suppliers □ Clients □ Communities	» Annual CSR internal audits » RBA SAQ and Validated Audit » RBA audits » Sustainability issue questionnaire surveys » Annual supplier CSR risk assessments	High	High
Wages and benefits	✓ Employees ✓ Startups ✓ Suppliers □ Clients □ Communities	» Annual CSR internal audits » RBA SAQ and Validated Audit » RBA audits » Sustainability issue questionnaire surveys » Annual supplier CSR risk assessments	Medium	Medium

Dimensions: Humane treatment and respect				
Human Rights Issue	Stakeholders	Investigation Management Approach	Likelihood	Severity
Nondiscrimination	✓ Employees ✓ Startups ✓ Suppliers ✓ Clients □ Communities	» Annual CSR internal audits » RBA SAQ and Validated Audit » RBA audits » Sustainability issue questionnaire surveys » Annual supplier CSR risk assessments	Low	Low
Humane treatment	✓ Employees ✓ Startups ✓ Suppliers ✓ Clients □ Communities	» Annual CSR internal audits » RBA SAQ and Validated Audit » RBA audits » Sustainability issue questionnaire surveys » Annual conflict mineral inventory » Annual supplier CSR risk assessments	Low	Medium

Note1: Employees include local employees, foreign nationals (including migrant workers), female employees, indigenous peoples, and young workers. The Company strictly prohibits the employment of child labor.

Note2: Startups include consolidations, mergers and acquisitions, and joint ventures.

Note3: Suppliers include key component suppliers, recruitment agencies, and on-site service providers.

Dimensions: Occupational health and safety				
Human Rights Issue	Stakeholders	Investigation Management Approach	Likelihood	Severity
Occupational safety	✓ Employees ✓ Startups ✓ Suppliers □ Clients □ Communities	» Annual CSR internal audits » RBA SAQ and Validated Audit » RBA audits » Sustainability issue questionnaire surveys » Annual supplier CSR risk assessments	Medium	Medium
Industrial hygiene	✓ Employees ✓ Startups ✓ Suppliers □ Clients □ Communities	» Annual CSR internal audits » RBA SAQ and Validated Audit » RBA audits » Sustainability issue questionnaire surveys » Annual conflict mineral inventory » Annual supplier CSR risk assessments	Medium	Low
Physically demanding work	✓ Employees ✓ Startups ✓ Suppliers □ Clients □ Communities	» Annual CSR internal audits » RBA SAQ and Validated Audit » RBA audits » Sustainability issue questionnaire surveys » Annual conflict mineral inventory » Annual supplier CSR risk assessments	Low	Low
Machine safeguarding	✓ Employees ✓ Startups ✓ Suppliers □ Clients □ Communities	» Annual CSR internal audits » RBA SAQ and Validated Audit » RBA audits » Sustainability issue questionnaire surveys » Annual supplier CSR risk assessments	Low	Medium
Emergency preparedness	✓ Employees ✓ Startups ✓ Suppliers ✓ Clients ✓ Communities	» Annual CSR internal audits » RBA SAQ and Validated Audit » RBA audits » Sustainability issue questionnaire surveys » Annual supplier CSR risk assessments	Medium	Medium

Dimensions: Occupational health and safety				
Human Rights Issue	Stakeholders	Investigation Management Approach	Likelihood	Severity
Occupational injury and illness	✓ Employees ✓ Startups ✓ Suppliers □ Clients □ Communities	» Annual CSR internal audits » RBA SAQ and Validated Audit » RBA audits » Sustainability issue questionnaire surveys » Annual supplier CSR risk assessments	Low	Medium
Sanitation, food, and housing	✓ Employees ✓ Startups ✓ Suppliers □ Clients ✓ Communities	» Annual CSR internal audits » RBA SAQ and Validated Audit » RBA audits » Sustainability issue questionnaire surveys » Annual supplier CSR risk assessments	Low	Low

Grievance Mechanism

Internal risk groups (employees and new ventures)

- Internal employee mailbox
- Internal employee hotline (#67885)
- Internal WingHR app complaint feature
- Employee Assistance Programs, EAPs
- Labor-management meetings

External risk groups (suppliers, customers, and neighboring communities)

- CSR mailbox (csr@innolux.com)
- Official social media platforms, Facebook and Instagram

Mitigation and Remediation of Human Rights Risks

In 2025, Innolux continued to reduce the impact of human rights risks on business operations by conducting rigorous annual human rights due diligence. The Company carried out systematic assessments at five key sites—Zhunan, Tainan, Ningbo, Foshan, and Nanjing—using questionnaires, audits, and interviews to identify potential impacts on rights holders arising from its operations.

The findings were analyzed using a risk matrix, with risk hotspots defined by their likelihood and severity. According to the latest assessment results, working hours management was identified as a high-priority human rights issue. The groups most directly affected include frontline employees, new ventures, and supply chain partners.

To proactively mitigate this risk, Innolux continues to implement improvement plans, focusing on optimizing scheduling systems, strengthening supervisors' awareness and management capabilities, and ensuring that grievance channels remain accessible and effective. Our goal is not only to prevent risks, but also to provide timely and effective remediation measures where necessary.

Affected Stakeholders	Employees/Startups		Suppliers	
Risk/Issue	Working hours			
Risk Mitigation	Optimized production planning: Departments concerned are asked to provide demand forecasts to allow HR to adjust workforce allocations accordingly.	Quarterly	Specific implementation guidelines: Provide the Supplier Corporate Social Responsibility Code of Conduct Operating Standards as the implementation standard.	Routine
	Time management audits: Performance in the management of working hours is examined during annual internal CSR audits.	Annual	Ramped-up commitment: Potential suppliers are asked to sign a Declaration of Commitment to ensure compliance with RBA Code of Conduct.	Routine
	Compliance training in respect to working hours: Provide various training programs, such as newcomer training and manager training, to remind relevant personnel of working hour requirements and standards.	As needed	Risk monitoring and assessments: Conduct annual supplier corporate social responsibility risk assessments.	Annual
Risk Remediation	Working hour monitoring: Manage working hours through the internal working hour system and monitor employees' attendance records and time tracking while ensuring employees' right to the compensation (e.g., overtime pay or paid time off) they have earned.	Routine	Auditing and subsequent actions: Conduct on-site audits for high-risk suppliers. If issues related to working hours are identified, suppliers are required to submit improvement plans. For severe cases, termination of supplier cooperation will be considered.	Annual
	Alert and irregularity management: If excessive working hours are identified, the system proactively issues reminders, and department heads are responsible for follow-up management.	Routine		
Management Results	Internal and external audits	11 sessions	On-site supplier audits	18 sessions
	Relevant training hours	118 hours per person on average	Supplier risk assessment questionnaires	57 responses

Human Rights Education and Training and Performance Tracking

To improve employees' understanding of human rights management, Innolux requires all new hires to attend human rights training as part of their orientation and onboarding process in accordance with the RBA Code of Conduct. Through training, new employees learn about the RBA Code of Conduct, which ensures ethical business conduct and respect for human rights and the environment across the global electronics supply chain. Furthermore, we conduct internal and external audits to ascertain how Innolux and our supply-chain partners manage human rights issues in order to safeguard the rights and interests of all workers.

Orientation Training	Hours of Human Rights Training[Note 1]	Audits
1,536 hours	43,134 hours	» 4 internal audits » 18 external audits (57 supplier questionnaires)

Note1: Training includes topics on the prevention of workplace bullying and sexual harassment.

In 2025, Innolux continued to ramp up efforts in human rights training and management. We examined the company's and our suppliers' progress in human rights risk management by conducting a tally of training hours and audit frequency, and used the results as a basis for subsequent improvements and governance.

Safeguarding Employees' Dignified Lifestyles and Ensuring Living Wages

Innolux firmly believes that providing remuneration sufficient to support a decent standard of living for employees and their families is an essential corporate social responsibility. To this end, the Company will introduce the SA8000: 2014 management system starting in 2026 and use its rigorous definition of a living wage as an important foundation for compensation design.

Innolux uses publicly available data from the Survey of Family Income and Expenditure published by the Directorate-General of Budget, Accounting and Statistics at the Executive Yuan to scientifically assess the wages required for employees to maintain a dignified standard of living at the Company's major operating sites in Taiwan. Based on these calculations, the living wage benchmarks for the Miaoli, Kaohsiung, and Tainan sites are NT$27,661, NT$27,460, and NT$26,980, respectively.

Innolux has confirmed that its current starting salary not only significantly exceeds the statutory minimum wage, but also surpasses the living wage thresholds for each of these sites. This result demonstrates that the Company's compensation system provides stable living protection for employees and their families, ensuring that every employee's contribution is rewarded with substantive support for a secure and decent life. Looking ahead, Innolux will build on its Taiwan assessment experience to develop living wage assessment methods suited to local conditions at overseas sites, with the goal of extending its commitment to safeguarding employees' dignified living across its global operations.

Prevention of Workplace Misconduct and Sexual Harassment

Innolux has established a comprehensive training and management system to protect its employees from all forms of discrimination, sexual harassment, and bullying.

Item	Management Approach
Rules and Regulations	Complaint and Management Procedures for Prevention of Sexual Harassment
Education and Training	Orientation training and training for production line supervisors: Training is focused on promoting workplace etiquette and Innolux's zero tolerance policy; it covers such topics as discrimination, sexual harassment, and bullying, and raises awareness of available channels for filing complaints and communication. **Courses on workplace bullying and sexual harassment prevention** Number of Sessions: 412 / Number of Attendees: 8,684 / Total Training Hours: 43,134
Awareness Campaigns	We have designed posters and computer boot screens that deliver messages about making the workplace a welcoming place and keeping it free from discrimination, sexual harassment, and bullying.
Grievance Channels	» Hotline: 67885 » Mailbox/ Wing HR App/WeChat/HR Helper
Handling Procedures	» A unit is appointed to take charge of receiving and processing grievances and overseeing the units concerned to ensure that matters are dealt with in a timely manner and improvements are made. » All units involved in the investigation of an incident are subject to absolute confidentiality to protect and ensure the non-disclosure of any identifiable information; investigative results are reported to the Sexual Harassment Complaint Committee for resolution. » Each case is reviewed by a committee composed of 5 to 7 members, at least half of whom must be women, subject to the principles of recusal. » If a grievance is found to be true, disciplinary action is taken pro rata in accordance with Innolux's Rewards and Disciplinary Actions Guidelines.
Internal Corrective Actions	» Physical: Work rearrangements in terms of duties, work stations, or shifts are made as needed. » Mental health: Psychological counseling is provided as needed.

4.3.2 No Communication Gaps in the Workplace

At Innolux, employees' rights and opinions are of capital importance to us. For this reason, we have set up a complete range of one-way and two-way communication channels to build a transparent and communicative environment. With these channels, employees are kept informed of company dynamics and granted the freedom to express any opinions or doubts they have about the workplace anonymously. Employees' identities and opinions are kept entirely confidential to safeguard them against unfair treatment or retaliation for whistleblowing.

Dissemination of Information

- The WingHR App contains the latest news and information on employee welfare.
- Emails are sent to disseminate company regulations and communicate messages from top-level management.
- Bulletin boards that provide labor policies and information on health, safety, sanitation, and corporate events have been installed.
- TV walls broadcast information related to employee welfare.
- The Innolux E-Newsletter informs employees of company policies and provides an avenue for building rapport with employees and maintaining communication with resigned/retired employees.

Two-Way Communication

- Reports on top management meetings provide information on the company's operating status and give employees the chance to ask questions about the current status of the company.
- The 24/7 Employee Care Helpline/ Mailbox is available for collecting and responding to employee grievances/feedback around the clock.
- Employee seminars are periodically organized for employees, Taiwanese or otherwise, to share and discuss work experiences.
- A consultation room is available for one-on-one counseling.
- Dedicated email inboxes for site managers/supervisors.
- Labor management meetings are convened periodically for engagement with employee representatives.

Labor-Management Communication

Face-to-face communication

Taiwan	Type of Meeting	Labor management meeting Note I	Employee Welfare Committee meeting	Seminar for direct employees	Meeting with top management
	No. of Sessions	36	4	32	4

Ningbo	Type of Meeting	Employee Welfare Committee meeting	Seminar for direct employees	Meeting with top management
	No. of Sessions	2	89	4

Foshan	Type of Meeting	Employee Welfare Committee meeting	Seminar for direct employees	Meeting with top management
	No. of Sessions	1	12	4

Note: Labor management meetings in Taiwan are convened quarterly. Labor representatives are elected through online voting by all employees. A month before a meeting, issues relating to labor management such as labor-management collaborations, working conditions, and benefit recommendations are elicited. All issues are discussed during the meeting, and the meeting minutes are published.

Note1: In accordance with applicable laws and regulations and RBA policy, employees are entitled to the freedom to organize labor unions. In 2025, employees in Taiwan did not set up a labor union, whereas employees from the Ningbo and Foshan sites in China have established labor unions as required by law.

Employee Assistance Programs (EAPs)

Employees are the company's most valuable asset. Innolux recognizes the potential challenges faced by employees and has partnered with professional external EAP teams to provide 24/7 consultation services—covering mental health counseling and legal consultation—through the Wing HR App. These services are available to both Taiwanese and foreign employees to help them maintain physical and mental well-being and stay focused at work. Since the launch in May 2021, a total of 941 service instances have been recorded, including 174 in 2025. The program achieved a satisfaction score of 5.7 out of 6.





Employee grievance statistics

Human rights	Number of Grievances Filed/Responded to in Taiwan			Number of Grievances Filed/Responded to in China			Number of Grievances Filed/Responded to Company-wide		
	Filed (count)	Responded (count)	Response Rate(%)	Filed (count)	Responded (count)	Response Rate(%)	Filed (count)	Responded (count)	Response Rate(%)
Recruitment and hiring	10	10	100%	273	273	100%	283	283	100%
Sexual harassment	4	4	100%	0	0	100%	4	4	100%
Leadership management	62	62	100%	133	133	100%	195	195	100%

Working conditions	Number of Grievances Filed/Responded to in Taiwan			Number of Grievances Filed/Responded to in China			Number of Grievances Filed/Responded to Company-wide		
	Filed (count)	Responded (count)	Response Rate(%)	Filed (count)	Responded (count)	Response Rate(%)	Filed (count)	Responded (count)	Response Rate(%)
Remuneration and leave	24	24	100%	530	530	100%	554	554	100%
Occupational health and safety	2	2	100%	4	4	100%	6	6	100%
Labor disputes	11	11	100%	4	3	75%	15	14	93%
Personal data breach	1	1	100%	0	0	100%	1	1	100%

Innolux handles complaints or grievances effectively and transparently. In 2024, the Company received 12 grievances, all of which were found to be true following investigation, and disciplinary action was taken accordingly per company regulations. The grievances related to violations of regulations, sexual harassment, and leadership management. The disciplinary action taken varied by severity of the offence, and included written warnings, demotions, and termination in severe cases. All actions are carried out in adherence to the principles of fairness and justice to ensure discipline in the workplace and strengthen employees' trust in and recognition of our grievance system.

Grievance handling process

Innolux adheres to the principles of fairness and justice when handling and resolving employee grievances.

General issues

Grievance filing: When an employee raises a grievance on the Employee Care System, the unit concerned will take immediate steps to handle the grievance.

Investigation: When necessary, the unit concerned will meet with the individual filing the grievance to obtain a full and in-depth understanding of the grievance.

Response: The aggrieved individual, if their identity is known, is informed of the investigation results via appropriate channels to ensure information transparency and two-way communication.

Sexual harassment

Grievance filing: When a grievance involves sexual harassment, HR files it on the Employee Care System and takes charge of preliminary procedures.

Investigation: HR forms an Investigation Committee to launch a full investigation, interviewing the employee concerned and anyone else involved and collecting relevant information.

Review and evaluations: When investigation is complete, a Sexual Harassment Grievance Handling Committee is established to evaluate and review the grievance to determine if the sexual harassment claim is true.

4.3.3 Employee Engagement Survey

Global Employee Engagement Survey

Employees are the key to competitiveness for corporations. To enhance the employee experience and organizational cohesion, we continued to conduct employee engagement surveys in 2025, seeking to gain genuine insights into employees' perceptions of the organizational climate, career development, and sense of well-being to facilitate the optimization of human resource strategies and organizational management. The scope of this year's survey included 8,972 or 31.1% of the 28,841 indirect employees employed in Greater China, and achieved a valid response rate of 84.7%. The survey, which focused on six aspects of employee engagement in combination with items that are reflective of changing trends, was conducted using a 5-point Likert scale (strongly agree to strongly disagree). The survey results revealed that 94.0% of our employees are highly engaged and 89.8% are willing to stay with the company, indicating a stable organizational climate that fosters a solid foundation for talent retention.

Highly engaged employees are proactive. They take initiative, embrace responsibility, and adapt swiftly to change, making them a driver of collaboration and innovation across departments to effectively improve operational efficiency and organizational resilience. High employee engagement contributes to lower employee turnover and lower placement costs, both of vital value to corporate sustainability and talent management.

Engagement survey indicators and results

Indicator	Questionnaire Item	Results
Job satisfaction	I feel satisfied with my job.	83.1
	I can utilize my potential and contribute my knowledge and skills at work.	
Development opportunities	The company provides opportunities for learning, development, and upskilling (item 33).	86.8
	My supervisor encourages me and supports my career development (corresponds indirectly to Item 36).	
Well-being	I feel satisfied with my current work environment (item 40).	84.1
	I am able to achieve a healthy work–life balance (item 39).	
Work-related stress	My workload is adequate and does not affect my quality of life (item 39).	87.8
	The company provides adequate resources to help employees cope with stress (corresponds to item 30: Technical support/tools).	

Employee engagement survey indicator trends

Year	Valid Response Rate	Survey Coverage	Recognition Indicators	Intention to Stay	Overall Satisfaction	Satisfaction Target
2023	85.6%	35.9%	94.7%	88.9%	82.9	75
2024	84.7%	29.4%	94.0%	89.8%	83.0	80
2025	84.7%	31.1%	94.7%	90.2%	84.4	80

Short- and Long-term Development Goals

Innolux has set short-term (2026) and long-term (2030) development goals based on the employee engagement survey results and sustainability requirements. The objective of the goals is to continuously enhance the employee experience, increase organizational resilience, and strengthen sustainable competitiveness.

Short-term – by 2026

Description

- Launch specific improvement plans based on a more extensive analysis of survey results.
- Establish employee engagement and care systems for more effective talent retention.
- Optimize communication and management systems for increased organizational collaboration and resilience.

Long-term – by 2030

Description

- Achieve 80% or more engagement survey coverage and overall score of 80.
- Enhance internal communication to boost employee satisfaction and sense of well-being.
- Foster a resilient organizational culture that enables joint growth of the company and its employees.

4.4 / Safety and Protection

GRI 2-23、2-24、2-25、403-1、403-2、403-3、403-4、403-5、403-6、403-7、403-8、403-9、403-10

As part of our Environmental Safety and Health Policy, Innolux has pledged to ensure the safety of workers and their physical and mental well-being. Our safety facilities and regulations are aligned with risk assessment results to prevent irregularities and mitigate adverse impacts. Through our efforts to achieve our vision of a healthy, sustainable, and welcoming workplace, we have increased employees' awareness of health and safety and created a safety and health-conscious culture.

Innolux Environmental Safety and Health Policy

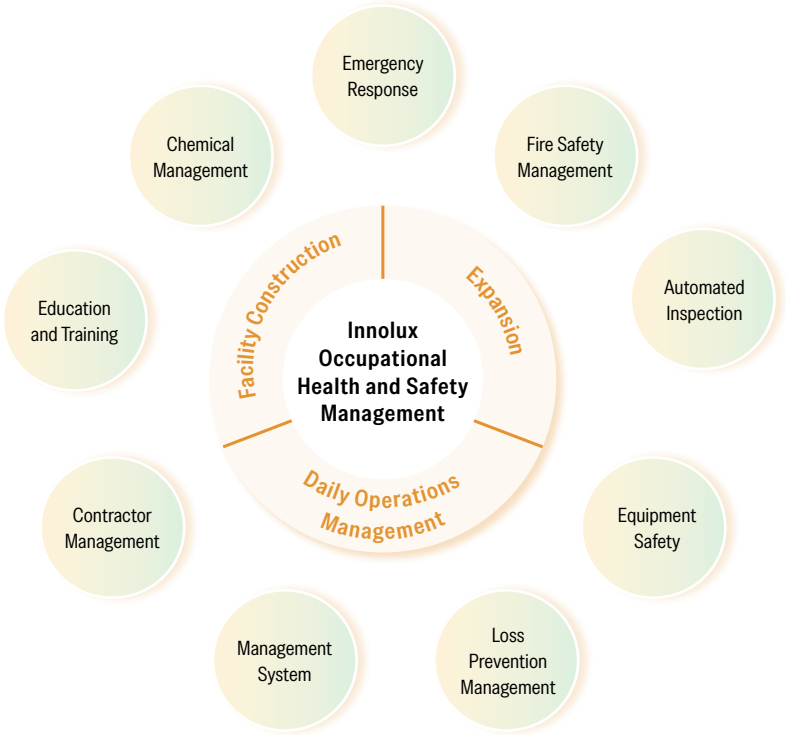
Our Environmental Safety and Health (ESH) Policy is based on the company's "3 GOs: Go Green, Go Responsible, Go Sharing" sustainability vision. We pledge to abide by this policy in our development initiatives, now and in the future.

1. Compliance with all government environmental protection, safety, and health regulations and strive to comply with international environmental protection, safety and health standards & practices.
2. In response to global climate change, international environmental protection trends and to meeting customer requirements, we are committed to promoting the "Green Vision", strengthening green product design, manufacturing and delivery, and cooperating with value chain partners to implement resource saving, energy saving and low carbon, emission reduction, waste reduction, recycling the economy, greening, biodiversity are considered to reduce the impact of products and processes on the environment.
3. Root the culture of corporate risk management, and develop and promote the integrated framework of risk management.
4. With the goal of zero disasters, zero pollution, and zero occupational diseases, we implement hazard and environmental impact identification and risk assessment, and formulate priority action plans to prevent work hazards, improve fire safety, promote workplace health and reduce environmental pollution, so as to effectively reduce risks for employees, customers, contractors, suppliers, and stakeholders, and continuously improve the environmental safety and health performance of the value chain.
5. Everyone shall fulfill the duty, form the culture, and compliance with the discipline of occupational safety.
6. Promote healthy activities to improve the well being of employees.
7. Respect the gender, age, race and nationality of workers, implement health promotion activities to enhance physical and mental balance, and shape a healthy culture.
8. Provide education, training and consultation and communication channels to improve the awareness and ability of employees, workers and value chains on environmental protection, safety and health, and encourage all employees to participate in the environmental, safety and health management.
9. Refining emergency response preparations, developing business continuity plan (BCP), identifying risks and opportunities, and reducing business impacts.

4.4.1 Occupational Safety and Health Management

Innolux continues to deepen its monitoring mechanisms for safety and health operations, while steadily expanding and strengthening its existing safety and health operating systems. In 2025, the Company introduced and launched short- and medium-term management indicator reports, while further refining its annual KPI reports. Through these data-supported decision-making tools, Innolux is advancing its overall ESH operations toward intelligent management to meet internal and external management needs and expectations.

Safety and health management framework



Innolux has established short- and medium-term management indicators in line with its commitment to reducing occupational hazards and achieving the goal of zero occupational diseases. In 2025, all eight occupational safety and health management indicators were achieved. Among them, the occupational incident prevention strategies and management plan implemented in 2024 was retained with respect to the indicator for reducing the employee disabling injury frequency rate (DIFR). Two strategies were promoted: improving safety and health awareness, and facilitating knowledge exchange. These efforts enhanced employees' safety awareness and strengthened the safety of the Company's operating environment. In 2025, the DIFR value was 0.13, the lowest in the past three years.

OSH Management Indicator		Jhunan	Tainan	Ningbo	Foshan	Greater China
Item	Target Value					
Occupational illness	0	0	0	0	0	0
Disabling injury frequency rate among employees	0.22	0.95	0.07	0.00	0.00	0.13
Ban on use of Group 1[Note 2] agents (as classified by IARC[Note 1] in 2024) in manufacturing	0	0	0	0	0	0
Pre-operation Equipment Sign-Off Level 1[Note 3] safety inspection completion rate for process machines	100%	100%	100%	100%	100%	100%
Mental health care rate among employees[Note 4]	95%	100%	100%	100%	100%	100%
Annual voluntary health examination rate among employees[Note 5]	95%	100%	100%	100%	100%	100%
Hazardous chemical substances in operating environment lower than one-tenth of permissible limit according to environmental monitoring results	95%	99.7%	99.8%	100%	98%	99.6%
Percentage of OSH Committee made up of labor representatives	40%	44%	81%	54%	65%	69%

Note1: IARC: International Agency for Research on Cancer

Note2: Group 1 agents are carcinogenic to humans.

Note3: Equipment Sign-Off Level 1 refers to Innolux's equipment safety inspection system.

Note4: Mental health care rate = Number of people who completed the annual health questionnaire/Total number of employees when questionnaire was administered.

Note5: Voluntary health examination rate = Number of people who underwent annual health examinations voluntarily/Number of employees eligible for the company's annual health examination service; health examination in this context refers to annual health checkups not stipulated by law (e.g., annual physical examinations in China and annual health examinations in Taiwan not conducted during the stipulated year).

Occupational Safety and Health Management System

Innolux is committed to establishing an occupational safety and health management system aligned with international standards. All manufacturing sites have fully implemented and obtained ISO 45001: 2018 certification, and the Company's Taiwan sites have also obtained TOSHMS certification. Adopting a product life cycle perspective, Innolux incorporates the scope of its safety and health management system into product R&D and design, raw material procurement, manufacturing, waste disposal, transportation, and other processes. The system covers the activities and services of all workers. Through regular hazard identification, risk assessments, and workplace safety observations, the Company actively eliminates potential hazards at the source. In 2025, the safety and health management system covered a total of 30,636 workers, of whom 94% were Innolux employees and 6% were non-Innolux employees.

To strengthen internal oversight, the Company organizes annual training for internal auditors and lead auditors of the ESH management system. In 2025, 199 employees obtained internal auditor certifications, and 10 employees obtained lead auditor certifications, demonstrating Innolux's continued commitment to enhancing internal professional capabilities and self-management effectiveness.

Occupational Safety, Health, and Environmental Committee

Innolux has established a comprehensive Environment, Safety, and Health (ESH) governance framework, which is promoted through regular meetings of the Greater China Occupational Safety, Health, and Environmental Committee and the local Occupational Safety, Health, and Environmental Committees at each site.

The Greater China committee is chaired by the President and brings together responsible unit heads and labor representatives to formulate strategies. Site-level committees are chaired by the highest-ranking executive at each site to ensure effective local implementation.

This two-tier committee structure is dedicated to reviewing ESH performance, determining areas for improvement, and addressing key issues. In 2025, labor representative participation at Greater China sites reached 69%, far exceeding the original target of 40%, demonstrating the important role of labor participation in sustainability-related decision-making.

ESG Committee meetings

Taiwan	China
1,371 labor representative attendances	**134** labor representative attendances
accounting for **70%** of total designated members	accounting for approximately **56%** of total designated members

Attendance and issues discussed at meetings

Meeting Title	Frequency	Chairperson	Attendees	Issues Discussed
Greater China Occupational Safety, Health and Environmental (OSHE) Committee Meeting	Quarterly	President	Heads of production sites Central dedicated unit	» OSHE sustainability vision and policies » OSHE short-/mid-/long-term goals and performance management » OSHE loss prevention, risk management, and operational safety » Hazard response and environmental impact mitigation plans » Updates on regulatory changes and key project reports
Occupational Safety, Health and Environmental (OSHE) Committee Meeting	Quarterly	Heads of production sites	Units involved Labor representatives	» OSHE policies » Internal and external stakeholder concerns and communications » OSHE management plans » Occupational disease prevention and health promotion » Epidemic prevention and OSHE performance evaluation

Reporting of Safety and Health Concerns

Innolux upholds the principles of openness, transparency, and constructive interaction when addressing safety and health concerns. The Company has established internal communication channels for reporting safety and health issues, with cases tracked and managed through an electronic system so that employees can stay informed of their case's status at any time.

At the same time, Innolux encourages all departments to actively promote management initiatives that improve safety and health facilities and enhance physical and mental well-being. In 2025, the Company received a total of 41 proposals.

Reporting of health and safety concerns

Internal reporting

Number of Reports Received	Number of Reports Resolved	Resolution Rate
1,025	982	96%

4.4.2 Occupational Safety and Health Risk Management

Innolux has established procedures for hazard identification and risk assessment in accordance with ISO 45001: 2018 and the Taiwan Occupational Safety and Health Management System (TOSHMS). Each year, process- and task-related hazards are identified using the Environmental Safety and Health Assessment Form, and risk levels are determined based on the severity and frequency of potential incidents. Control measures are developed based on risk levels and follow the hierarchy of controls: elimination, substitution, engineering controls, and administrative controls. These measures include pre-employment and on-the-job training, job safety observations, environmental monitoring, health examinations, and implementation of preventive actions. All actions are incorporated into management plans and tracked to ensure continuous improvement. Hazard identification and risk assessments must also be conducted in the event of accidents, when new materials or chemicals are introduced, or when changes occur in the operating environment—such as new regulations, organizational changes in production, or site-specific activities.

According to the Innolux Environmental, Safety, and Health (ESH) Manual, if workers encounter a potentially imminent danger during operations, they are empowered to assess whether the situation poses an urgent and serious threat to their life or health. If so, they must immediately stop work and evacuate to a safe location. Workers will not face any penalties or disciplinary actions for taking such precautionary measures.

step 01

Hazard Identification

Regular identification of potential hazards that could lead to injury or safety incidents

step 02

Risk Assessment

Evaluate risk levels based on severity, likelihood, and incident probability

step 03

Risk Control

Implement tiered control measures based on risk levels, following the hierarchy of controls: elimination, substitution, engineering controls, and administrative controls

Our hazard identification and risk assessment results for 2025 identified the top three health and safety hazards/risks, which were subsequently minimized to a controllable level by introducing engineering controls and administrative controls.

Top 3 health and safety hazards

Health Hazards		Safety Hazards	
Type	Percentage (%)	Type	Percentage (%)
Work-related physical strain	21.7%	Cuts, punctures, abrasions	18.6%
Musculoskeletal disorders	20.4%	Crushing, entanglement	17.4%
Long-term exposure to chemicals	19.7%	Electrocution	10.5%

Occupational Health Management

Innolux actively implements workplace health management. Through health examinations and questionnaires, the Company precisely classifies employee health risks and implements management measures according to the characteristics of each hazard, effectively reducing employees' health risks. To improve the efficiency of health management, the Taiwan sites have introduced the H2U Health Bank cloud platform and mobile app. The system integrates IoT-based lifestyle records, online access to health examination reports, and personalized health risk assessments, providing employees with comprehensive and timely health information.

Innolux also promotes health knowledge and provides customized self-management recommendations to encourage employees to protect their health. All personal health data collection and use strictly complies with personal data protection regulations and is subject to employee authorization and consent, ensuring privacy and data security. In addition, the Company provides dedicated health examinations and health classification management for employees engaged in operations with special health hazards, reflecting its deep commitment to protecting employee health. Through these commitments and innovative practices, Innolux works together with employees to build a sustainable, healthy, and happy workplace.

Operational Safety Management

With the goal of creating a zero-incident work environment, Innolux continues to improve the safety of its processes and equipment and strictly controls the introduction of raw materials.

Before new equipment is introduced, the Company completes risk assessments and implements preventive measures. After equipment is operational, risks are minimized through regular maintenance, automated inspections, and continuous monitoring.

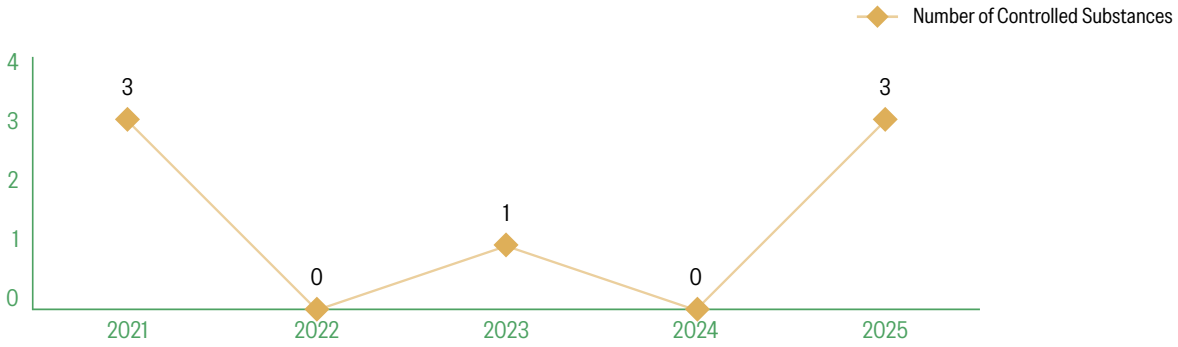
For high-risk operations, Innolux implements strict dedicated management and permit systems to ensure operational safety.

Comprehensive Chemical Management Strategy and Results

To align with international sustainability trends and build a resilient and safe workplace, Innolux has adopted a Comprehensive Chemical Management Strategy. Through source control, risk identification, and health protection, the Company has established a systematic management framework that upholds its firm commitment to environmental protection and employee safety.

1. Policy implementation and source management: Innolux has established controlled chemical substance categories and inventories, strictly implemented a chemical intake review mechanism, and developed source management procedures for chemical substances. For substances listed under IARC Groups 1 and 2A, alternative solutions must be assessed as a priority to ensure that operations may proceed only when employee health and safety during the operating process can be safeguarded. From 2023 to 2025, Innolux restricted the introduction and use of four chemical substances through source management. The trend is shown in the figure below.

Source Control Trend Chart: Number of INX Restricted and Prohibited Substances



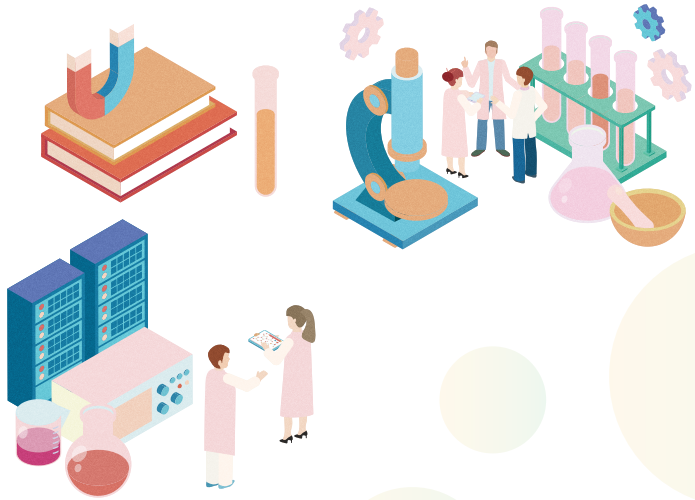
In response to international green supply chain requirements, such as TCO Certification, CEPN and RBA standards, as well as Taiwan's regulatory requirements, Innolux has proactively implemented early-warning management for emerging pollutants. For PFAS, substances of concern, Innolux has launched a dedicated management project and completed an internal inventory of high-risk chemicals used in on-site processes; the Company also conducts regular self-managed effluent testing. These measures ensure that discharged wastewater and chemicals used in operations do not impact the environment.

2. Health protections and management of the working environment: To ensure safe working environment conditions and protect worker health, Innolux has established an occupational safety and health management indicator, challenging itself to keep more than 95% of occupational environment monitoring results for chemical hazard factors in the working environment below one-tenth of the legally permissible limits. Through rigorous management and continuous improvement, Innolux achieved a chemical hazard factor management indicator compliance rate of 99.6% in 2025, meeting the target set for the year.

   In addition, Innolux prioritized improvement measures for substances with occupational environment monitoring results that fell between one-half and the full legally permissible limit. A total of one substance was subject to environmental improvements, including strengthening the integrity of curtain enclosure so that dispersed or volatilized substances could be effectively removed by local exhaust ventilation equipment, ensuring the health and safety of exposed personnel.

3. Systematic management: To enhance management transparency, make chemical material management more intuitive, and reduce operational hazards and legal compliance risks, Innolux is moving towards the goal of digital safety management. The Company is currently actively planning and developing an automated chemical management dashboard, which will integrate procurement, material intake, and other information to monitor the storing and inventory of high-risk substances in real time.

   Looking ahead, Innolux aims to use AI recognition systems to rapidly build chemical-related information databases and establish an intelligent monitoring network with zero blind spots.



4.4.3 Health Care

At Innolux, we believe that true health means more than the absence of disease. It also encompasses mental well-being and harmonious social relationships. This reflects the vision advocated by the World Health Organization, and it is the goal we seek to realize for every employee.

Upholding the belief that employees are the Company's most valuable asset, Innolux conducts comprehensive needs assessments and promotes three major pillars of health: physical and mental health promotion, regular health examinations, and occupational disease prevention. These initiatives not only provide employees with comprehensive health care, but also support them in achieving a healthy work-life balance.

To foster a health-conscious culture, fulfill our commitment to a safe and healthy workplace, and align with the United Nations Sustainable Development Goals (SDGs), Innolux has established specific health management indicators. The Company continuously manages groups at potential risk of chronic illnesses and those requiring greater mental health support, with the aim of creating a positive and sustainable workplace health culture.

In 2025, we invested approximately NT$21.4 million in health care initiatives—including health examinations, health management, and wellness promotion—demonstrating our long-term commitment to employee well-being.















Health Examinations and Care Practices

Innolux has established health management requirements for specific workers across all sites. Resident catering service personnel must be confirmed by occupational health nurses to be free of statutory infectious diseases and are required to submit regular health examination reports. Construction contractors performing operations with special health hazards, such as elevated work, must measure blood pressure before entering the site and may only proceed with work if the results are within the normal range. In 2025, there were no cases of occupational diseases caused by work-related factors, and the occupational disease rate (ODR) was 0. To strengthen health services, Innolux has made on-site health centers and lactation rooms available to all employees, resident vendors, contractors, and visitors, creating a comprehensive and non-discriminatory health support environment.

Health examination and care results

Item	Description	Results	
		Taiwan	China
Annual health examinations1 [Note 1]	Annual checkups are arranged to safeguard employee health and prevent major illnesses.	» Health examination items rotate to include cancer-related indicator screening. » General health exams: 17,189 of 17,189eligible employees completed exams (100%).	» All 8,469 eligible employees completed exams (100%).
Value-added health services	Cancer screenings and health consultations are provided during exam periods.	» 8 types of cancer screenings offered; total of 58,100 screenings completed.	
Special health examinations	Health management for employees engaged in hazardous tasks.	» 1,819 employees completed special health exams (100%). » 8 individuals have completed health tracking management, no job adjustments needed.	» 1,052 employees newly assigned to hazardous work completed exams (100%) » 1,247 in hazardous work completed exams (100%) » 577 leaving such jobs also completed exams (100%) » 14 individuals have completed health tracking management
Cerebral and cardiovascular disease management	Risk-based management for shift workers and high workload positions.	» 2,816 employees managed (10% in high-risk group); 2,431 completed personalized health management.	» Health education and activities were organized on blood pressure, stroke, diet, and exercise.

Item	Description	Results	
		Taiwan	China
Occupational musculoskeletal disease prevention	Musculoskeletal assessments for early symptom detection and job adjustment.	» 17,309 completed surveys » Individuals with suspected symptoms: 350 in total. All have received health education to help alleviate their discomfort. » No personnel required adjustments for work fitness (Work Placement).	» 8 employees assessed; none required improvement, all affected individuals have received health promotion support.
Maternal health protection	Risk assessment for pregnant or postpartum female employees.	» 117 reported cases; all received education, no personnel required work fitness adjustments..	» 260 reported cases; all received management; no one required job adjustment.
Care for elderly employees	Hazard identification, risk assessment, and job suitability evaluation for middle-aged and older employees.	» 6,908 employees assessed; 895 deemed physically weak and referred for medical support; no job adjustments needed.	» Slower aging trend; measures communicated to China sites; continued monitoring of employee conditions and external trends.

Note: General health examination figures exclude employees involved in special hazardous operations, new hires, and those undergoing pre-job/post transfer physicals.

Employee health examination statistics

Site	Total Number of Participants			Health Abnormality Management							
	Eligible	Actually Participated	Participation Rate	Low-Intensity Management		Moderate-Intensity Management		High-Intensity Management		Follow-up by nurse	Consultation with doctor
				Follow-Up Recommended	Completed	Follow-Up Recommended	Completed	Follow-Up Recommended	Completed		
Taiwan	19,494	19,494	100%	8,340	8,340	4,981	4,981	1,874	1,874	2,067	1,248
China	16,497	16,497	100%	2,316	2,316	1,032	1,032	313	313	1,543	1,328
Total	35,991	35,991	100%	10,656	10,656	6,013	6,013	2,187	2,187	3,610	2,576

Note1: Annual health examinations are conducted in accordance with minimum regulatory requirements. Supervisors are responsible for reminding employees who miss the required checkup and must retain a record of the notice. No such regulatory requirement exists in China. Follow-up management continues until 100% completion. The scope includes general, special, new hire, and pre-transfer physical examinations.

Note2: All figures are reported in number of employees, except physician consultations, which are counted by visits.

Cancer screening

Screening Test	Regulatory Requirement?		No. of Employees Tested		
	Taiwan	China	Taiwan	China	Total
Cervical cancer: Pap smear	Stipulated by law	Not stipulated by law	216	179	395
Breast cancer: Breast ultrasound/mammogram	Stipulated by law	Not stipulated by law	298	175	473
Ovarian cancer: Uterine, oviduct, and ovarian ultrasound	Not stipulated by law	Not stipulated by law	218	2,382	2,600
Colon cancer: Fecal occult blood test	Stipulated by law	Not stipulated by law	12,616	564	13,180
Abdominal ultrasound	Not stipulated by law	Not stipulated by law	934	2,808	3,742
Malignant tumor marker test[Note 1]	Not stipulated by law	Not stipulated by law	37,146	564	37,710
Total			51,428	6,672	58,100

Note1: Cancer screening programs are either conducted separately by each site or integrated into routine health examinations. Tumor marker screenings include, but are not limited to, AFP (liver cancer), CEA (lung cancer), EVB-IgA (nasopharyngeal cancer), PSA (prostate cancer), and CA-125 (ovarian cancer), depending on each site's plan. The total number of participants reflects the sum across all screening items.

Mental Health Care

Innolux places strong emphasis on employees' mental health. Based on the three-stage, five-level disease prevention model, the Company has established a mental health management system and adopted multi-level measures to strengthen employees' psychological resilience and support systems. These measures cover three key levels:

Front-end prevention (First-phase)

Through regular mental health lectures and activities, as well as the "Innolux Workplace Wellbeing" course series launched in 2023, the Company helps employees strengthen psychological resilience, emotional awareness, and adjustment skills.

Achievements

36 workplace stress management lectures/mental health activities were held, with 8,376 participants in attendance.

Immediate support (Second-phase)

Innolux provides flexible counseling services and proactive annual care, while keeping communication channels open to enable early intervention and support.

Achievements

Annual mental/physical health questionnaires were administered to 27,815 participants, 962 of whom were assessed as at moderate/high risk. The mental health counseling and follow-up management completion rate was 100%.

Comprehensive assistance (Third-phase)

By integrating the resources of the internal Employee Relations (ER) unit and external experts, Innolux extends its support network from work to life, offering diverse assistance in areas such as legal matters, financial planning, family relationships, and parenting. This forms a comprehensive Employee Assistance Program, EAP.

Achievements

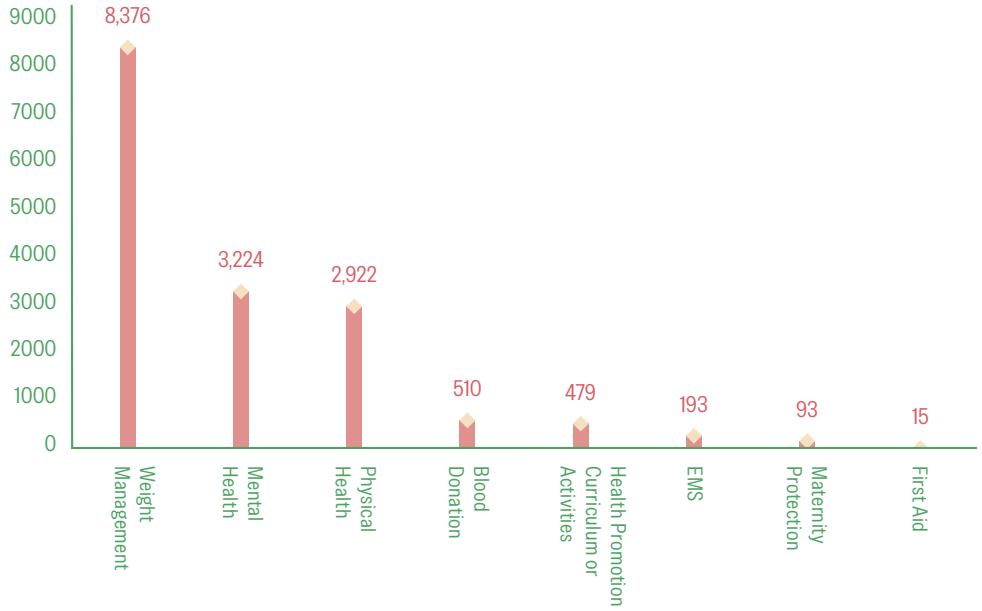
After mobile and annual questionnaire screening for high-risk individuals, 79 employees received counseling, and all of them completed follow-up management.

In addition, to prevent self-harm incidents, Innolux has established a multi-level crisis protection mechanism covering four dimensions: system optimization, personnel training, practical drills, and environmental safeguards. The Company takes action on both the management and facility levels. On the management side, Innolux has developed standardized crisis response procedures and ensures that relevant personnel have effective response capabilities through professional training and scenario-based simulation drills. On the facility side, the Company strengthens physical safety measures at its sites to prevent self-harm risks at the source.

Health Promotion

Innolux firmly believes that a healthy workforce is the foundation of corporate sustainability. In 2025, the Company held 77 health promotion activities, attracting 15,812 participants, demonstrating employees' strong commitment to physical and mental well-being. Data analysis indicates that high BMI is the primary health concern in our facilities. As a result, Innolux has prioritized BMI improvement and set a 2030 target of reducing the chronic disease risk group to below 12.5%. To achieve this goal, Innolux implemented integrated measures. These included wellness coach training to deepen internal professional support, online weight-loss campaigns and offline mental health counseling, and the promotion of low-calorie healthy meals across company-provided daily dining services. This successful health management model was ultimately expanded from Taiwan sites to Greater China sites.

Statistics on health-promoting activities



Awards Received in Recognition of Health Promotion Excellence

January 2025

Ningbo Site — Recognized as a 2024 Ningbo Caring Organization for Voluntary Blood Donation

May 2025

STSP Site — Received a certificate of appreciation for outstanding blood donation performance in 2024

July 2025

STSP Site — Received the Workplace Health Promotion — Health Promotion Mark Self-Assessment Certificate

September 2025

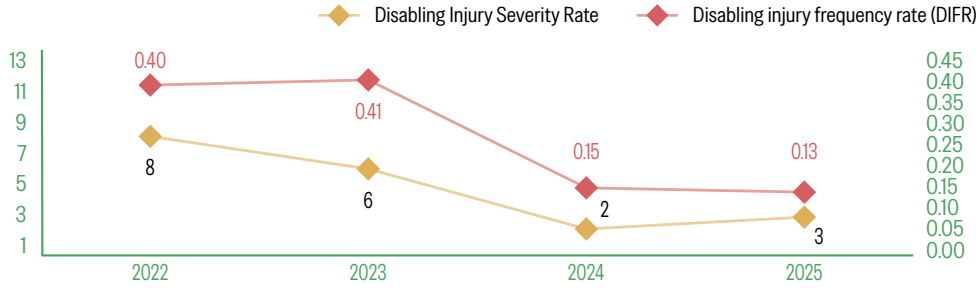
Foshan Site — Recognized as a Benchmark Enterprise for Precursor Chemical Operators in Foshan



4.4.4 Occupational Accident Management

In 2025, Innolux achieved significant improvement in workplace safety performance, with the disabling injury frequency rate (DIFR) decreasing to 0.13, a further improvement from the previous year.

Through routine management walk-bys and incident reviews, the Company kept the Disabling Injury Severity Rate (DISR) at 3, and the annual occupational accident rate at 1.592 per 1,000 employees, with zero fatalities reported. These results demonstrate the effectiveness of Innolux's lean safety management practices.



Occupational accidents involving employees

Item		Taiwan Sites	China Sites	Company Wide
Number of Reports of Disabling Injuries	Women	4	0	4
	Men	5	0	5
	Total	9	0	9
Number of Reports of Severe Disabling Injuries[Note 1]	Women	0	0	0
	Men	1	0	1
	Total	1	0	1
DIFR[Note 2]	Women	0.28	0.00	0.16
	Men	0.24	0.00	0.11
	Total	0.26	0.00	0.13
DISR[Note 3]	Women	6	0	3
	Men	8	0	3
	Total	7	0	3
Injury Rate (IR[Note 4])	Women	0.26	0.00	0.15
	Men	0.26	0.00	0.12
	Total	0.26	0.00	0.13
Lost Workday Rate (LDR[Note 5])	Women	1.31	0.00	0.74
	Men	1.69	0.00	0.78
	Total	1.53	0.00	0.76
Annual Rate of Occupational Accidents per 1,000 People[Note 6]	Women	2.804	0.000	1.785
	Men	2.626	0.000	1.479
	Total	2.697	0.000	1.592
Death Rate[Note 7]	Women	0.000	0.000	0.000
	Men	0.000	0.000	0.000
	Total	0.000	0.000	0.000
Actual Hours Worked		34,165,704	34,388,027	68,553,731
Number of Workers		17,057	11,836	28,893

Note1: Severe occupational injuries refer to occupational injuries that result in death, or injuries that prevent or make it difficult for a worker to recover to their pre-injury health condition within six months of the injury.

Note2: Disabling Injury Frequency Rate (DIFR): Number of disabling injuries per 1,000,000 hours worked. Formula: Number of disabling injuries × 1,000,000 ÷ Total hours worked. Decimals are rounded down to the nearest hundredth.

Note3: Disabling Injury Severity Rate (DISR): Number of days lost due to disabling injuries per 1,000,000 hours worked. Formula: Number of lost days × 1,000,000 ÷ Total hours worked. Decimals are rounded down to the nearest unit.

Note4: Injury Rate (IR): Number of occupational accident cases per 200,000 hours worked. Formula: (Number of lost workday cases + Number of restricted workday cases) × 200,000 ÷ Total hours worked. Decimals are rounded to the nearest hundredth.

Note5: Lost Day Rate (LDR): Number of lost workdays due to disabling injuries per 200,000 hours worked. Formula: Number of lost days × 200,000 ÷ Total hours worked. Decimals are rounded to the nearest unit.

Note6: Annual Occupational Accident Rate per 1,000 Employees: Number of fatalities or injuries per 1,000 employees in a given year. Formula: (Number of employees involved in lost-time injuries + Number of employees in restricted work cases) × 1,000 ÷ Total number of employees.

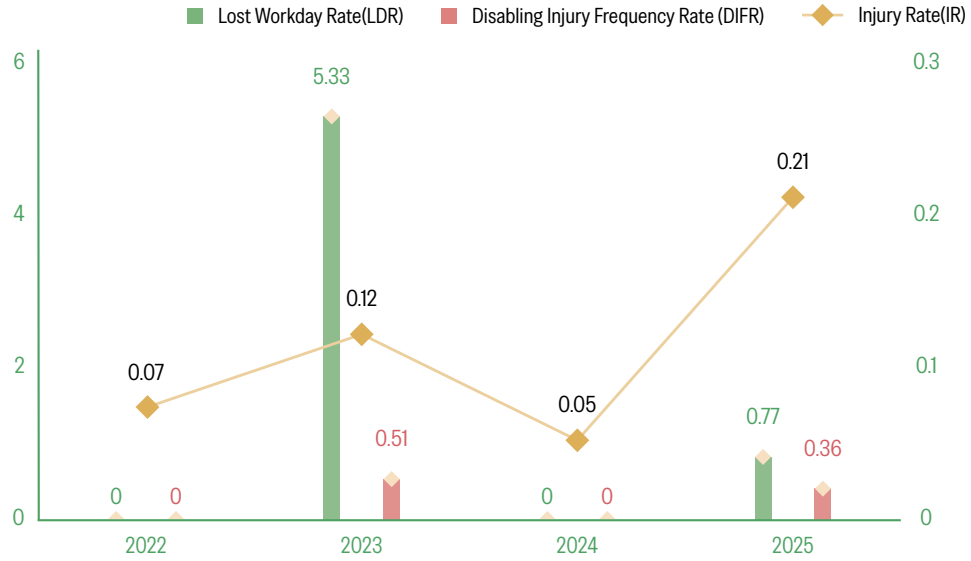
Note7: Occupational Fatality Rate: Number of deaths per 200,000 hours worked. Formula: Number of deaths × 200,000 ÷ Total hours worked.

Occupational Accident Management for Contractors

The safety of all workers is of paramount importance to Innolux. For this reason, contractors are also subject to our management. All contractors working under Innolux must complete the stipulated safety and health training and be fully qualified to ensure operational safety and basic rights. Before commencing a job at a worksite, they must identify environmental hazards and risks at the worksite and adopt appropriate protective measures based on the risk assessment results.

Innolux has adopted an electronic system to reinforce contractor safety management. The system manages the entire construction process, monitoring all the work performed on- and offsite to reduce the risk of accidents. In 2025, we performed exceedingly well in managing the occupational safety of our contractors, as made evident by our contractor safety metrics: 0.36 DIFR, 0.21 IR, 0.77 LDR, and 0 deaths.

Disabling Injury Frequency Rate (DIFR), Injury Rate(IR) and Lost Workday Rate (LDR)



Supplier education and training

Topic	Number of Suppliers Trained	Number of Training Participants
ESG and Net-Zero Carbon Emissions Policies and Promotion	23	139
Practical Risk Assessment Program	23	56
Awareness Campaign on the Prevention of Musculoskeletal Hazards	552	NA[Note 1]
Launch and Operation Briefing for the INX Worker Health Care Practice Manual	68	68
The Health Hazards of Working Outdoors in High Temperature Conditions under the Impacts of Extreme Climate	66	66
On-site Service Briefing by the Labor Health Service Office of the Occupational Accident Prevention and Reconstruction Center	64	64

Note: Data excludes training designed to inform contractors of worksite hazards.

Note1: A total of four training sessions were held online; the number of participants was not counted.

Statistics on occupational accidents involving contractors[Note 1]

Item	Taiwan Sites		China Sites		Company Wide	
	2024	2025	2024	2025	2024	2025
Number of Lost Time Injuries	0	2	0	0	0	2
Lost Time Injury Frequency Rate (LTIFR)[Note 2]	0.00	0.39	0	0	0	0.36
Injury Rate (IR)[Note 3]	0.07	0.23	0	0	0.05	0.21
Lost Workday Rate (LDR)[Note 4]	0	0.83	0	0	0	0.77
Death Rate[Note 5]	0	0	0	0	0	0
Number of Contractor Staff on Premises	678,383	629,237	25,371	55,184	703,754	684,421
Total Hours Worked	5,427,064	5,033,896	1,908,464	441,472	7,335,528	5,475,368

Note: Lost workdays are calculated using calendar days, excluding the day an injury happens and the day a worker returns to work.

Note1: Contractor refers to workers in a business contracted to perform work for Innolux in areas managed by Innolux and includes outsourced workers.

Note2: Lost Time Injury Frequency Rate (LTIFR): refers to the number of disabling events per one million hours worked. Formula: number of contractor disabling events x one million work hours / total contractor hours worked; decimals are rounded off to the nearest unit. Number of injuries includes work-related injuries and injuries inflicted when moving from place to place within a production site.

Note3: IR: refers to the number of injuries per 200,000 hours worked. Formula: (number of lost workday events + number of restricted workday events) x 200,000 work hours / total hours worked; decimals are rounded to the nearest hundredth.

Note4: LDR: refers to number of workdays lost to disabling injuries per 200,000 hours worked. Formula: number of lost workdays x 200,000 work hours / total hours worked; decimals are rounded to the nearest hundredth.

Note5: Death rate: refers to the number of deaths per 200,000 hours worked. Formula: number of contractor-related deaths x 200,000 work hours / total contractor hours worked.

Accidental Incident Management

Innolux has an Electronic Accident Management System in place to document and manage incidents. An incident is investigated and analyzed to prevent recurrences. Incidents are classified according to severity as major, general, minor, and near-miss. In 2025, a total of 57 accidents and 5 near-miss events were reported, 81% of which have been corrected and rectified. Although one fire-related incident occurred this year, it was handled promptly and resulted in no major losses or injuries.

Top 5 work-related injuries

Type of Hazard	Percentage	Type of Hazard	Percentage
Drawing-in, entanglement, impact	15.8%	Severing, cutting, scratching	5.3%
Falling,slipping	14%	Falling,slipping	1.8%
Falls, tumble	7%		

Corrective Action

Work-related injuries occurring during daily activities

- We implemented incident prevention management, topic-specific inspections, work safety analysis, and operational safety monitoring.

Work-related injuries occurring during daily activities and injuries inflicted when moving between places in production sites

- We posted safety warning signs in hot spots and high-risk zones and set up traffic signs.
- We reinforced measures to promote workplace safety policies and road safety practices.
- We ramped up general inspection efforts.

Note: Number of accidental incidents includes number resulting in work lost and number resulting in work restricted. The top 5 work-related injuries exclude non-work-related injuries caused by daily activities (28.1%) and when moving between places in production sites (10.5%).

Improvements to near-miss incidents

1

Description

An abnormal capacitor in the machine triggered the VESDA alarm.

Improvement Actions

- The capacitor replacement schedule was revised to every three years and aligned with the main unit's maintenance schedule.

2

Description

During operations, an employee's right hand was caught after being placed on the slide rail of a manual fixture.

Improvement Actions

- Hazard warning labels were added to the trolley.
- Safety operating procedures for trolley operations were established.

3

Description

A melted PG board in the aging room triggered the VESDA alarm.

Improvement Actions

- Employee education and training was conducted.
- Unused cable terminals were sealed.
- The fuse on the Power Board was replaced.

4

Description

While troubleshooting an abnormal discharge issue, an employee's right index finger was caught in the machine.

Improvement Actions

- Education, training, and safety awareness communication was conducted.

5

Description

A motorcycle suddenly slowed down to yield to pedestrians, and the employee driving behind them was unable to brake in time, resulting in a rear-end collision with the motorcycle.

Improvement Actions

- Employees were reminded to slow down and yield to pedestrians.
- Employees were reminded to slow down and follow on-site signs when entering the site.

Sharpening Safety Awareness

To embed safety into its corporate culture, Innolux has established a diverse occupational safety and health training system covering general knowledge, professional skills, and emergency response. The courses are designed not only to provide basic workplace safety knowledge, but also to incorporate immersive content such as workplace emotional management, self-defense techniques, and experience-based safety training centers, thereby comprehensively enhancing employees' self-protection capabilities and psychological resilience. To ensure training quality, Innolux has established rigorous internal instructor certification and trainee feedback mechanisms, and continues to optimize course content according to training needs. In 2025, the Company held 1,480 training sessions, with a cumulative total of 19,227 participants. These figures represent more than training outcomes; they reflect Innolux's concrete commitment to creating a safe, healthy, and secure work environment for all working partners by embedding safety in organizational culture and preventing occupational diseases and accidents.

OSH training statistics

Site	Jhunan		Tainan		Ningbo		Foshan		Total	
	Employees	Contractors	Employees	Contractors	Employees	Contractors	Employees	Contractors	Employees	Contractors
Training Sessions	119	100	471	96	736	206	154	12	1,480	414
No. of Participants	80,159	1,302	75,864	3,868	32,386	2,335	3,862	658	192,271	8,163
Total Training Hours	63,169	1,302	76,460	11,604	7,290	422	9,861	5,264	156,780	18,592

4.5 / Working for the Common Good of Society

Guided by its sustainability vision of working for the common good of society, Innolux established the Innolux Education Foundation in 2008. Upholding its original commitment to giving back to society, the Foundation brings together diverse internal and external resources and focuses on three core areas: environmental education, educational empowerment, and social welfare. Through these efforts, the Foundation advances environmental education initiatives, helps narrow the urban-rural gap in education, enhances cultural and arts literacy, and expands social care. We firmly believe that close collaboration and co-creation with stakeholders can amplify the Company's positive impact and fulfill our commitment to society.

Looking back on 2025, the Innolux Education Foundation worked with government agencies and academic partners to continue promoting the "Go Green! Kick Start to Net-Zero" environmental education program, first launched in 2022, across 32 schools and communities in Taiwan, planting the seeds of environmental sustainability. At the same time, the Foundation continued to invest resources into caring for the 6,000 saplings planted on national forest land between 2022 and 2024, actively supporting forest ecosystem restoration and biodiversity.

In addition, the "Little Tree Educational Empowerment Initiative" now in its fifth consecutive year, continued to support students in rural parts of Tainan and Miaoli. By helping fill funding gaps in rural schools, the program provides children with diverse learning opportunities while supporting the continuation of local cultural heritage.

The Foundation also continued to work with charitable partners such as the Taiwan Fund for Children and Families and the Huashan Social Welfare Foundation to organize initiatives including Christmas wish list collections, handmade knitted items for warmth and care, and home cleaning services for elderly people living alone.

We believe that by working hand in hand with stakeholders from all sectors, we can create a multiplier effect in which one plus one is greater than two, amplify the Company's positive influence, and move together toward a more resilient and sustainable future.



Our input

Item	Amount (NT$)	As a %
Environmental Education	2.34 million	39%
Educational Empowerment	1.73 million	29%
Social Contribution[Note 1]	1.77 million	30%
Other	90,000	2%

Note1: This includes donations from fundraising events.



Innolux Education Foundation Website

Environmental Education

Guided by the United Nations Sustainable Development Goals (SDGs), Innolux not only promotes sustainable operations within the Company, but also actively invests in environmental education through the Innolux Education Foundation. These efforts closely align with SDG 11: Sustainable Cities and Communities, SDG 13: Climate Action, and SDG 15: Life on Land, working together to build a more resilient future for the next generation.

Go Green! Kickstart to Net Zero!

First-Ever Dual-Track Net-Zero Carbon Emissions Courses: In Person and Online

As global climate change becomes increasingly severe, net-zero emissions have become a core goal in both international and Taiwan policy development. Since 2022, the Innolux Education Foundation has launched the "Go Green! Kickstart to Net Zero!" program, centered on SDG 4: Quality Education and SDG 13: Climate Action.

Working with professional environmental education teams, the Foundation developed two sets of courses — one in-person and one online. Through puzzle-solving and challenge-based activities, the program has been introduced to elementary schools in Hsinchu, Miaoli, Tainan, and Kaohsiung to promote environmental education. By translating net-zero concepts into accessible and easy-to-understand learning experiences, the program encourages students to integrate sustainable living into their daily lives.

To date, more than 75 in-person net-zero environmental education courses have been held, providing 7,225 learners with opportunities to learn about net-zero education. These efforts demonstrate Innolux's practical commitment to integrating sustainable development with social engagement.

Innolux CSR × NTHU USR: Joining Forces for Net Zero

Each year, Innolux regularly recruits employees and provides professional training to prepare them to serve as environmental education volunteers in schools. Acting as teaching assistants and station facilitators, these volunteers help bring environmental protection into everyday life and workplace culture. In 2025, the Innolux Education Foundation entered the second year of its CSR × USR collaboration with the Regional Innovation Center of National Tsing Hua University. Students from various departments, as well as master's and doctoral programs at National Tsing Hua University, joined the environmental education volunteer team. Together with corporate volunteers, they visited elementary schools to promote net-zero environmental education. In 2025, a total of 126 recorded volunteers participated, with 317 cumulative service hours. Through this cross-sector collaboration between business and academia, Innolux helps enhance the sustainability of environmental education and cultivate young talent with sustainability awareness and the ability to take action.





Go Green! Kickstart to Net Zero! video

Net-Zero Seed Instructor Training: Expanding the Reach of Education

To expand the scope and capacity of its services, the Innolux Education Foundation has promoted teacher training courses since 2024. Through net-zero themed lectures, course experiences, and case sharing, the Foundation helps teachers strengthen their knowledge of climate change and net zero. In 2025, the Foundation held two training courses for net-zero education ambassadors, attracting more than 100 environmental educators and teachers to register. A total of 50 Innolux Net-Zero Ambassadors were trained and went on to promote net-zero environmental education in schools, communities, and parent-child growth classes. Through these efforts, net-zero knowledge was shared with 2,525 students and members of the public, further expanding the impact of public climate awareness and action.

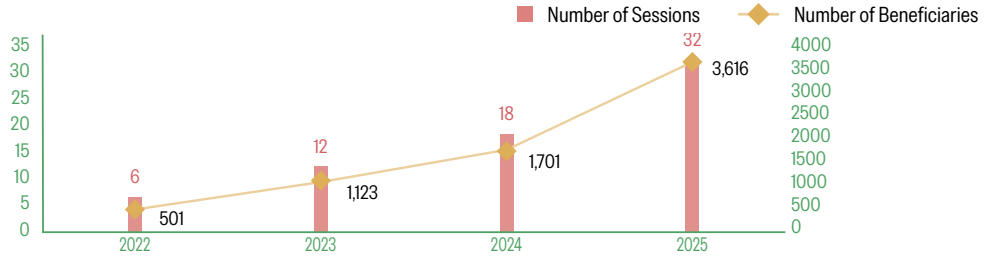
Performance Statistics and Social Impact

According to the 2025 feedback questionnaire, 57% of participants had heard of the term "net-zero emissions" before taking the course, higher than last year's figure of 43%, less than half of participants. This indicates that the concept of net zero is becoming increasingly widespread.

The Innolux Education Foundation also made its first attempt to work with professional environmental educators to deliver net-zero education courses for students and the general public. Compared with the previous year, the total number of promotional sessions increased by 14, while the number of beneficiaries grew from 1,701 to 3,616, with overall satisfaction reaching 92%.

Through the continued practice of environmental education, Innolux fulfills its corporate social responsibility, advances sustainable action, and moves toward the goal of achieving global net-zero carbon emissions by 2050.

Statistics on Net-Zero Environmental Education Promotion



I Go Green Campaign

Forest Adoption and Afforestation: Working with the Government to Create a Greener Forest Life

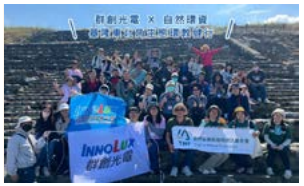
In 2022, the Innolux Education Foundation signed a memorandum of understanding with the Chiayi Branch of the Forestry and Nature Conservation Agency, and since then has organized environmental education activities such as tree planting and beach cleanups. These initiatives enhance employees' understanding of and emotional connection with forests, jointly promote environmental protection concepts, and engage employees in ecological conservation through concrete action. Through three consecutive years of donations for forest adoption and afforestation, the Foundation has cumulatively adopted 4.5 hectares of forest land and planted 6,000 trees, including mahogany, pongamia, chinaberry, and bishop wood. The Foundation has also led Innolux employees in activities such as tree planting, beach cleanups, removal of the invasive plant mile-a-minute weed, and ecological tour guide services in local communities around Alishan and the Aogu Wetlands, putting forest ecosystem conservation in Taiwan into practice.

From Tree Planting to Nurturing: Sustained Action to Grow Forests

Considering that young saplings in the wild are easily affected by competition from weeds and vines during their early growth stages, the Innolux Education Foundation has launched a minimum five-year nurturing program for the 6,000 trees planted between 2022 and 2024. The program includes weeding, vine removal, pruning, and thinning to strengthen canopy structure, increase sapling survival rates, and ensure that the trees can take root and continue to grow successfully.

By ensuring that the growing space of afforested trees is not obstructed, the program supports healthy tree growth and provides saplings with a stable environment to overcome early-stage challenges. It further strengthens forest cover, enhances water conservation and purification functions, enables sustained carbon sequestration in response to climate change and its impacts, and provides a healthy ecological environment that supports biodiversity.



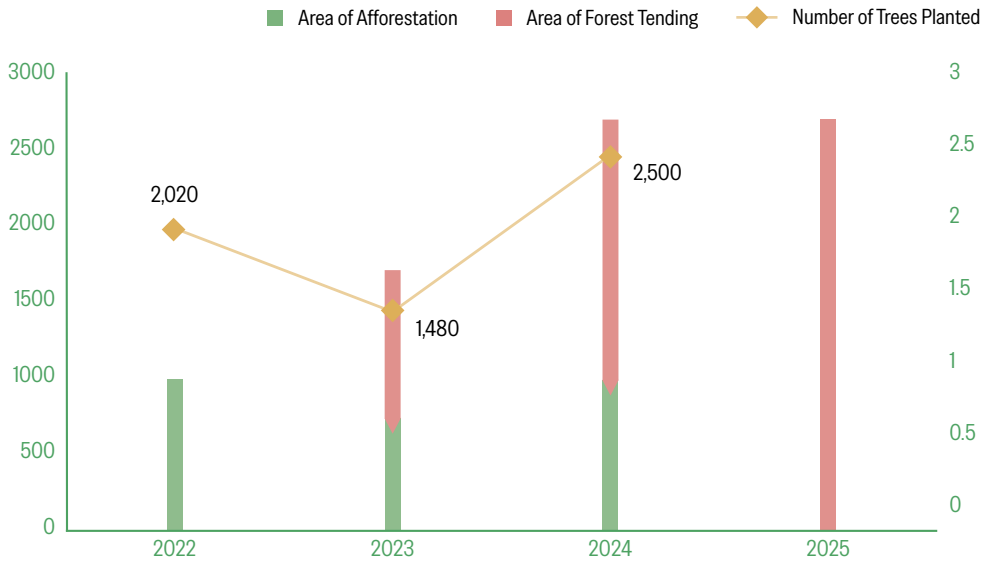


Employee Participation in I Go Green Environmental Education Initiatives

To actively fulfill its environmental commitments, the Innolux Education Foundation carried out the "I Go Green" campaign, organizing two environmental education activities at the Jianshanpi Environmental Learning Center and along the northeast coast of Keelung. A total of 193 employees and family members from Innolux and its subsidiaries were invited to participate.

Through concrete action, participants helped safeguard ecosystems and the environment while raising environmental responsibility awareness within the Company and society. These activities also gave participants the opportunity to put down their digital devices, step into nature, and pass on the values of environmental conservation, helping to cultivate more environmentally-aware future generations.

Annual Results of Forest Adoption and Tree Planting



Low-Carbon, Healthy Eating

Sustainable Dining Table: Combining Technology Agriculture with Food and Agricultural Education

To promote the concept of low-carbon sustainable diets and raise public health awareness, the Innolux Education Foundation organized food and agricultural education activities and low-carbon vegetarian health lectures under the theme "Low-Carbon, Healthy Eating." The activities featured local small farmers demonstrating technology agriculture, including tractor and agricultural drone operations, allowing participants to experience first-hand how technology can optimize agricultural production. In addition, the Foundation worked with the Miaoli County Farmers' Association to promote local jujubes. Through experiential learning activities such as fruit picking in orchards and fruit vinegar DIY, participants gained a deeper understanding of where food comes from, the hard work involved in farming, and the journey from farm to table. These activities effectively sparked interest in technology and local agriculture while gradually cultivating concepts of sustainable agricultural development.

Introducing Seafood Meals Certified with the Ocean Heart Ecolabel

Innolux actively implements corporate social responsibility internally by promoting the concept of a green dining table. The Company has designated every Monday as a No Red Meat Day, encouraging employees to practice low-carbon, sustainable eating.

To further expand this initiative, Innolux held a Low-Carbon Diet Day across all Taiwan sites on July 28. In addition to introducing quality sea vegetables certified with the Ocean Heart Ecolabel, the Company also served fresh, local, and seasonal ingredients at cafeteria buffet stations. This not only enriched employees' dining choices, but also effectively reduced the impact of the food supply chain on marine ecosystems. Through employees' everyday dining choices, Innolux hopes to make a positive impact on the global environment and work together to implement and achieve the Sustainable Development Goals.

Rural Elementary School Lunch Subsidies to Promote Low-Carbon Diets

To help elementary school students better understand low-carbon diets, develop healthy eating habits, and reduce environmental burdens, the Innolux Education Foundation launched a Low-Carbon Vegetarian School Lunch Subsidy Program.

The program provided more than NT$110,000 in meal subsidies for 293 students at three rural schools: Penglai Elementary School, Nanzhuang Elementary School, and Qigu Elementary School. The subsidies encouraged schools to choose seasonal, local ingredients and whole foods, replacing higher-carbon pork and beef with chicken and fish as main dishes. This made students' lunches richer and more diverse, while helping them develop planet-friendly eating habits, reduce carbon footprints, and promote a culture of sustainable dining.

Engaged **7** partners across industry, government, and academia.

Hosted **11** outreach events on food and agriculture education.



Azhong Ecological Farm × Food and Agricultural Education Experience Activity



YouTuber Veggie Collaboration × Low-Carbon Vegetarian Health Lecture



2025 All-Site Cafeterias × Low-Carbon Diet Day



Qigu Elementary School Lunch Subsidy × On-Campus Vegetable

Educational Empowerment

Education is an important foundation for sustainable development. Through subsidies for teaching resources and sponsorship for arts and cultural activities, the Innolux Education Foundation provides students in rural areas with diverse learning opportunities, broadens their horizons, and supports the preservation and continuation of local cultural heritage. The Foundation hopes to cultivate a next generation of educators with a broader perspective and a deeper concern for local culture.

Little Tree Educational Empowerment Initiative

Since its launch in 2021, the program has expanded to Tainan, Miaoli, and Nantou, establishing long-term financial support for a total of five rural elementary and junior high schools. As of 2025, the Foundation has invested a cumulative total of NT$4.09 million, benefiting more than 1,400 students.

The Foundation will continue to deepen its support for rural education through financial contributions, volunteer participation, and corporate activities, helping to narrow the urban-rural learning gap. We will focus on cultural education, artistic creation, and sports development, giving students more opportunities to explore their potential and discover their strengths. By opening up broader choices for their future, the program lays a solid foundation for the sustainable development of rural education. We believe that the seeds of education will bring the power of change to children in rural areas.

School	Total Number of Students	Development Focus	Implementation Results
Nanzhuang Elementary School, Miaoli	108	The school offers the Hospitable Wooden Toys Course, integrating the diverse cultural characteristics of the local Saisiyat, Atayal, and Hakka communities. Students are encouraged to design and create various types of wooden toys and works during the course.	Received an Award of Excellence in the 2025 Wood Education Toy Creation Competition.
Penglai Elementary School, Miaoli	26	The school has established inline skating, ocarina, and performing arts clubs, enabling students, most of whom are Indigenous, to develop their strengths in sports and the arts and unlock their potential.	Won first place in the Grade 4 Boys' Elite Division at the 22nd President Cup National Skating Championships in 2025.
Qigu Elementary School, Tainan	102	Through ceramics and traditional arts courses, students learn creative ceramic art and cultivate traditional arts and culture. The school provides diverse performance and competition opportunities while developing students' artistic and cultural literacy.	Received the Outstanding Award in the Creative Folk Art Performance category at the 2025 Tainan Traditional Arts Competition.
Jibeishua Elementary School, Tainan	23	The school promotes Siraya painting and music courses, integrating school and community cultural characteristics to cultivate students' creativity and artistic talent, and to build Jibeishua into an arts creation campus.	Students won first place in the 2025 Tainan Student Art Competition.
Ren'ai Junior High School, Nantou	93	The school develops its basketball teams, allowing students to build on their strengths through sports training and learn confidence through athletic competitions.	Won second place in boys' basketball and third place in girls' basketball at the 73rd Nantou County Games in 2025.











FORMOSA 3D, a Movie Tour Program

Since 2023, the Innolux Education Foundation has participated in the 3D Mobile Cinema Touring Program promoted by the FORMOSA 3D. Using a mobile 3D cinema vehicle, the program brings the beauty of Taiwan's culture, people, and natural landscapes to every corner of the country.

This initiative not only enriches the cultural horizons of students in rural areas, but also uses the power of visual storytelling to effectively narrow the digital divide and promote broader and more equal access to educational opportunities.

Over the three years of collaboration to date, the program has completed 61 campus tours, enabling a total of 6,011 teachers and students to experience this unparalleled visual journey.









2025 Performance Statistics and Social Impact

Investment

NT$1,000,000

Number of tours

29 campus tours completed

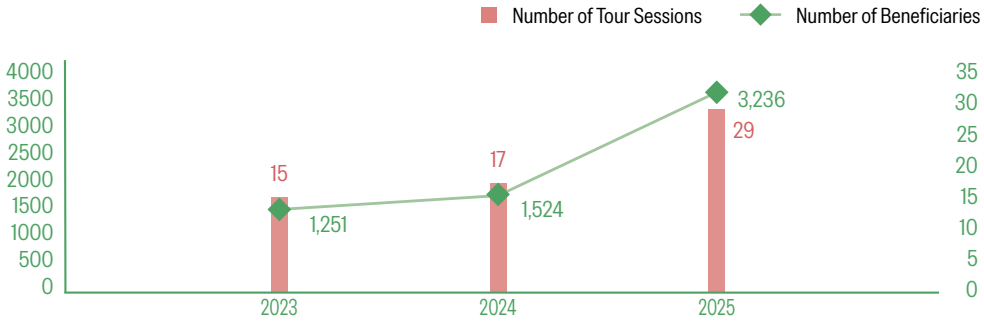
Beneficiaries

3,236 students reached

Social impact

Provided students with opportunities to experience cutting-edge visual technology, fulfilling the Foundation's social responsibility to narrow the digital divide and promote environmental education, culture, and the arts.

Historical Activity Results



Social Welfare

Innolux and the Innolux Education Foundation believe in caring for local communities and actively engage in social welfare initiatives, amplifying love and bringing people together, and supporting disadvantaged children and elderly people in rural areas.

With every small act of kindness, we create hope through action and connect people with love so that rural communities no longer feel distant. We are committed to caring for society and bringing warmth to people's lives, putting sustainability into action and becoming a light that brightens the world.

Love Makes the World Go Round

Christmas Gift Drive

For many disadvantaged children in rural areas, a pencil case, a coat, or a thermos may be their only Christmas wish.

Since 2017, the Innolux Education Foundation has held its Christmas Gift Drive for nine consecutive years, giving more than 10,000 gifts to disadvantaged children to date. At the end of 2025, the Foundation once again partnered with the Taiwan Fund for Children and Families for the Christmas Gift Drive, collecting Christmas gift wishes for disadvantaged children in Miaoli and Tainan.

A total of 834 children wrote down their Christmas wishes by hand, and within just a few days, all of the wishes were adopted by Innolux employees, demonstrating the abundance of love and care among our colleagues.



INNOWARM



Since 2023, the Foundation has expanded the scope of its community engagement by launching INNOWARM, a charity initiative that brings warmth to older generations. Working with Innolux's Senior Employee Development Department, the Huashan Social Welfare Foundation, and local community care associations, the Foundation opened knitting classes and invited elderly community members to visit Innolux sites and teach employees knitting skills, turning care into concrete action.

In 2025, the Innolux Education Foundation continued this initiative. Through INNOWARM, the Foundation not only enabled elderly people to feel cared for, but also adopted a model of intergenerational inclusion, allowing employees to knit warmth for older generations while learning and growing through community service rooted in the belief that it is more blessed to give than to receive.



Charity Fundraising and Emergency Relief for Employees' Families

At the end of the year, we also invited employees to take part in charitable action. In 2025, we partnered with the NPO MUVE to launch a fundraising campaign for a nationwide education sponsorship program for children with severe illnesses. In less than one month, the campaign received 215 donations, raising a total of NT$288,300.

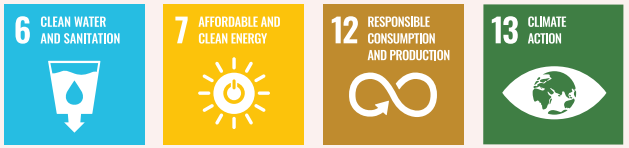
The funds were used to provide professional instruction for children with severe physical disabilities. Through visual perception training, the program helps children learn to operate computers with their eyes, enabling them to express their needs and regain their basic rights to life and learning.

In addition, we continue to support the families of Innolux employees by providing emergency relief. To date, we have raised more than NT$12.45 million in emergency assistance funds for families facing different hardships, helping them navigate difficult times when natural disasters or unfortunate incidents occur.



5

Green Transformation and Environmental Co-Prosperity



- ✓ **107** energy management projects filed, saving **37.41 million kWh** of electricity
- ✓ Scope 1 and 2 emissions reduced by **37.0%** cumulatively, achieving the 2030 carbon reduction target ahead of schedule
- ✓ Fluorinated compound (FC) emission intensity per unit area reduced by **91%** cumulatively
- ✓ Energy use down by **4.2%** vs. 2024
- ✓ Power consumption down by **3.8%** vs. 2024
- ✓ Water usage down by **3.2%** vs. 2024
- ✓ Process water reclamation rate increased to **97.6%**
- ✓ Waste generation reduced by **5.0%** since the previous year

Management Guidelines

Material Topics	Strategy	2025 Strategy	2025 Result	Target Met	2026 Target	Medium- to Long-TermTarget (2030)
 Climate Strategy and Energy	Increase low-carbon competitiveness; lower external environmental, financial, and market risks	Reduce scopes 1 and 2 emissions by ≥ 10% (vs. 2020)	SBTi initiative: reduced absolute Scope 1 and Scope 2 emissions by ≥ 37.0% compared with 2020	●	SBTi initiative: Scopes 1 and 2 emissions down by ≥ 15.0% (vs. 2020)	Scopes 1 and 2 emissions down by ≥ 25% (vs. 2020)
		ISO 50001: 2018 energy management systems to cover 98% of power consumption in greater China region	ISO 50001: 2018 energy management systems covered 99.9% of power consumption	●	Renewable energy accounts for ≥ 7 % of all energy used in greater China region	Renewable energy accounts for ≥ 20% of all energy used (RE20)
		Achieve 59.96 kWh/m² power consumption intensity at Taiwan sites	Power consumption intensity at Taiwan Sites: 59.92 kWh/m², a 0.14% decrease	●	Achieve 59.41 kWh/m² power consumption intensity at Taiwan Sites	
		Electricity consumption per unit product at Mainland China sites: NGB: 1.512 kWh/pc FS: 4.034 kwh/pc	NGB: 1.438 kWh/pc (down 5.83%) FS: 3.642 kWh/pc (down 9.74%)	●	Electricity consumption per unit product at Mainland China sites: NGB: 1.424 kWh/pc (down 1% vs. 2025) FS: 3.606 kwh/pc (down 1% vs. 2025)	
 Waste and Circular Economy	Hazardous industrial waste resource recycling rate ≥ 95%	Hazardous industrial waste resource recycling rate ≥ 95%	Hazardous industrial waste resource recycling rate ≥ 95%	●	Hazardous industrial waste resource recycling rate ≥ 95%	Hazardous industrial waste resource recycling rate ≥ 95%
 Water Management	Product water consumption management	Water reclamation rate ≥ 97%	Water reclamation rate ≥ 97.6%	●	Water reclamation rate ≥ 97%	Water reclamation rate ≥ 97%
		Water intensity 0.20 m^3/m^2 across Taiwan sites	Water intensity 0.198 m^3/m^2 across Taiwan sites	●	Water intensity 0.197 m^3/m^2 across Taiwan sites	
		Water consumption per unit of product at Mainland China sites: NGB: 0.00438 m^3/pcs FS: 0.01164 m^3/pcs	NGB: 0.00435 m^3/pcs (Decrease 1.8 %) FS: 0.01132 m^3/pcs (Decrease 2.7 %)	●	Water consumption per unit of product at Mainland China sites: NGB: 0.00431 m^3/pcs (Decrease 1% vs.2025) FS: 0.01121 m^3/pcs (Decrease 1% vs.2025)	
 Air Pollution Control	Control air pollution and minimize environmental impact	VOCs treatment rate ≥ 92%	VOCs treatment rate 95.3%	●	VOCs treatment rate ≥ 92%	VOCs treatment rate ≥ 92%

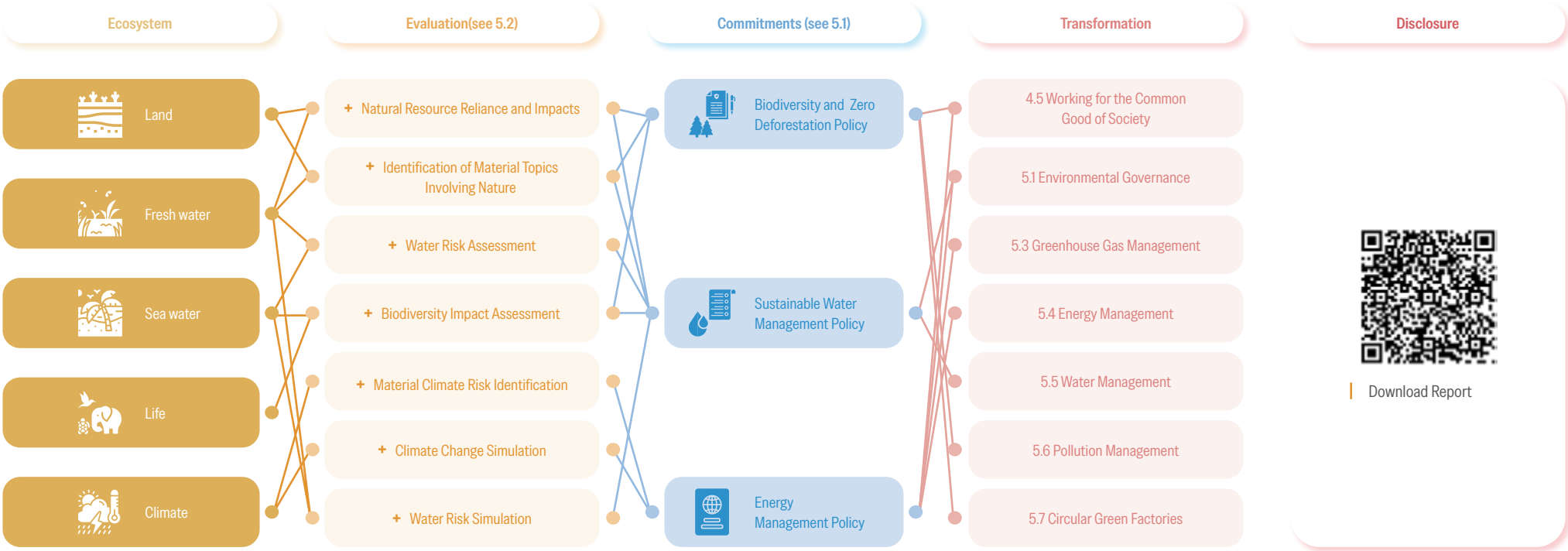
5.1 / Environmental Governance

GRI 2-23、2-24、2-25、302-4、305-5

Innolux structures its environmental governance framework by first assessing internal and external topics as well as the needs and expectations of stakeholders. It bases its framework on ISO management systems, covering topics such as air pollution management, water resource management, resource recycling and waste management, and energy management. The Company identifies operational processes, assesses opportunities for improvement, and formulates action plans and targets accordingly. During implementation, Innolux regularly tracks progress and, upon completion of each management initiative, reviews its effectiveness and analyzes the strengths and weaknesses of the current reporting cycle. These results serve as the basis for new applications and optimizations in the next cycle. Through the Plan-Do-Check-Act (PDCA) framework, the Company continues to promote systematic improvements and move toward its medium- and long-term environmental goals. While strengthening internal management, the Company also monitors the latest developments in environmental topics and provides relevant education and training for employees as needed, thereby enhancing environmental awareness and management capabilities.

In response to both internal and external environmental topics, we have incorporated the Assess-Commit-Transform-Disclose (ACT-D) actions described in the Natural Capital Protocol into our natural capital strategy to enhance the impact of corporate sustainability.

Natural Capital Action Plan



Environmental Governance Framework



To carry out environmental management effectively and comprehensively, Innolux follows its Environmental, Safety, and Health Policy and is committed to advancing its vision to "Go Green — Uphold our long-term commitment to environmental protection." The Company has successively introduced the ISO 14001 environmental management system, ISO 50001 energy management system, and ISO 46001 water efficiency management system to conserve resources, save energy and reduce carbon emissions, promote circular economy, and support biodiversity, thereby minimizing the environmental impacts of its products and processes. The ISO 14001: 2015 system has been implemented across 100% of applicable sites, while ISO 50001: 2018 covers 99.9% of energy use. Note that non-panel manufacturing sites are not included in the certification scope. The Company has completed ISO 14064-1: 2018 greenhouse gas inventories for all sites and obtained third-party assurance statements to understand its greenhouse gas emissions and provide a reference for developing carbon reduction strategies.

To monitor trends in greenhouse gas emissions, waste reduction, chemical recycling, energy and resource consumption, and energy conservation, Innolux uses the intelligent Facility Management (iFM) system for digital support. The Company also promotes cross-departmental collaboration through organizational groups such as the Sustainable Development Committee, Occupational Safety, Health, and Environmental Protection Committee, Factory Technical Committee, and Energy Management Technical Committee. In response to climate-related issues, the Company has also established the Carbon Risk Management Committee and Energy Management Technical Committee to improve performance in energy conservation and carbon reduction. Following the Energy Management Technical Committee's review of energy-saving project implementation performance, the Factory Technical Committee rolled out 65 projects across sites in 2025. In addition, 37 ISO 14001 environmental management system projects were completed, with a 67.6% project completion rate.

Documents Produced and Projects Rolled out by the Plant Technicians Committee

Type	Number KM[Note 1] documents produced	Number of projects rolled out[Note 2]
AC	17	28
Water	3	12
Gas	11	10
Electricity	8	16
Total	39	65

Note1: KM refers to the knowledge management documents reviewed internally by the Company.

Note2: Covers all Innolux sites in the greater China region.

ISO 14001: 2015 Environmental Management Systems Projects

Site	Projects launched	Projects completed	Completion rate
Taiwan	16	8	50.0%
Mainland China	21	17	80.9%
Total	37	25	67.6%

Communicating Environmental Topics

Innolux remains dedicated to environmental stewardship by meticulously monitoring environmental shifts. We maintain comprehensive oversight of the environmental impacts throughout our entire operational lifecycle—from R&D to waste disposal—thereby ensuring the rigorous management of all internal environmental issues.

The Company closely monitors external factors such as geographic conditions, legal and regulatory requirements, policy developments, and market trends to evaluate their actual and potential effects on the natural environment.

In 2025, Innolux received a total of 473 internal and external communications, of which 99.8% have been addressed and resolved. The Company continues to implement improvement measures while ensuring proper handling of any unclosed cases.

Environment-Related Internal and External Communications

Category	Cases	Completed	Completion rate
External	37	36	97.3%
Internal	436	436	100%

Environmental Accounting

Innolux has incorporated environmental costs into its management system in accordance with the Environmental Accounting Guidelines issued by the Ministry of Environment. A dedicated Environmental Accounting account has been established within the procurement and accounting systems to effectively identify and manage environment-related expenditures, ensuring transparent disclosure of financial information. In 2025, Innolux's environmental expenditures totaled approximately NT$1.19 billion for its Taiwan sites and around RMB 5,090,000 for its mainland China sites.

Environmental Protection Expenditures

Category	Item	Site	
		Taiwan 10,000 (NTD)	Mainland China 10,000 (RMB)
Business operations	Pollution control	82,621	161
	Recycling and reuse	9,869	0
	Global environmental protection initiatives	23,832	0
Management	Environmental education programs, regulatory fees for licenses, environmental monitoring, activities, and environmental management system	1,676	348
R&D	Research into end-of-pipe treatment and pollution reduction in manufacturing and marketing activities	859	0
Supply chain	Green procurement, product recycling, packaging recycling, and other client environmental requirements	133	0
Social outreach	Community-based public relations initiatives, corporate image promotions, and other social events	14	0
Losses and damages	Decontamination costs, legal costs, and other losses and indemnities	0	0
Total		119,005	509

Environmental Education Training

As part of Innolux's sustainability strategy, we offer employees sustainability-related training that covers topics such as water/energy conservation and waste management. Unlike traditional environmental protection education, these courses are designed to cultivate innovative thinking, encouraging employees to develop solutions that enhance operational efficiency and support long-term sustainability goals. The courses are offered not only to environment, health, and safety personnel, but also to general employees and senior executives. Course content includes an introduction to water efficiency, the relationship between energy consumption and greenhouse gas emissions, and the benefits of waste reduction, illustrated through real-world circular economy practices implemented at our sites. In addition to in-house training, we periodically send employees to environmental seminars and workshops organized by government agencies. In 2025, a total of 5 sessions were held, with 154 participants in attendance.

5.1.1 Climate Change Governance

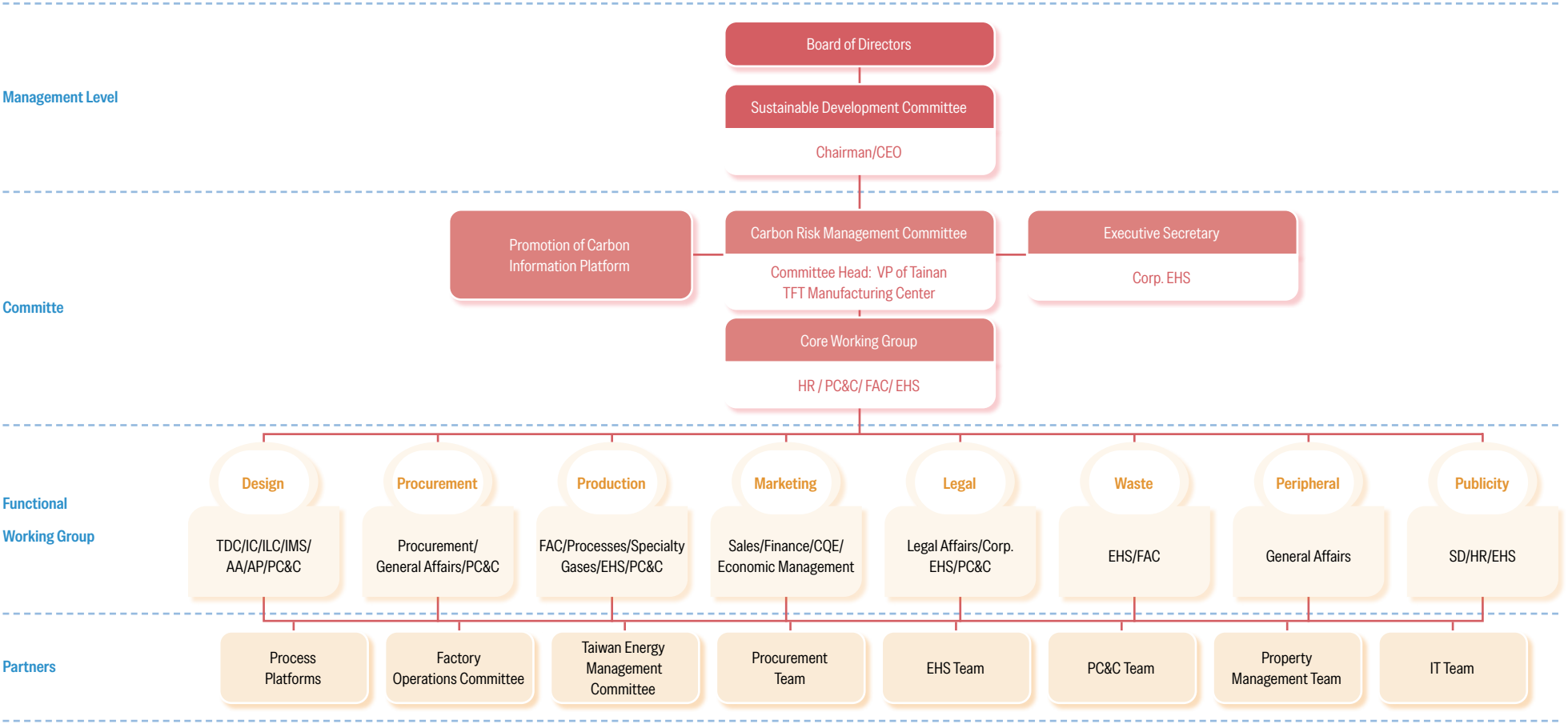
Climate change has a profound impact on corporate sustainability. Innolux has identified climate change management and response as core issues and adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework as the foundation for the Company's risk management strategy. To strengthen climate resilience, the Company established a Carbon Risk Management Committee in 2021, introduced Internal Carbon Pricing (ICP), and developed a carbon sink methodology. We are committed to supporting the global goal of limiting temperature rise to below 1.5° C.

Climate Change Management Platform

The Chief Sustainability Officer reports the Company's ESG vision, targets, and results to the Board of Directors on an annual basis, while the Chief Governance Officer is responsible for updating the Board on the status of ESG implementation progress and stakeholder engagement efforts. Climate-related risks and opportunities, along with key climate decisions, are regularly reviewed during quarterly and interim Board meetings. Additionally, the Carbon Risk Management Committee conducts quarterly evaluations of the response strategies of its subordinate working groups and their outcomes.

Headed by the Vice President of the Taiwan TFT Manufacturing Center, the Innolux Carbon Risk Management Committee is composed 4 core working groups that are charged with formulating carbon footprint reduction action plans. The Environment, Health, and Safety (EHS) Group serves as executive secretary to help set and implement carbon management goals. Under the 4 core working groups are 8 functional working groups each in charge of a different stage of our operations—design, procurement, production, marketing, legal, waste, peripherals, and publicity. In 2025, we invested NT$481 million in energy conservation and carbon reduction initiatives, including renewable energy procurement and renewable energy facility installation.

Structure of the Carbon Risk Management Committee

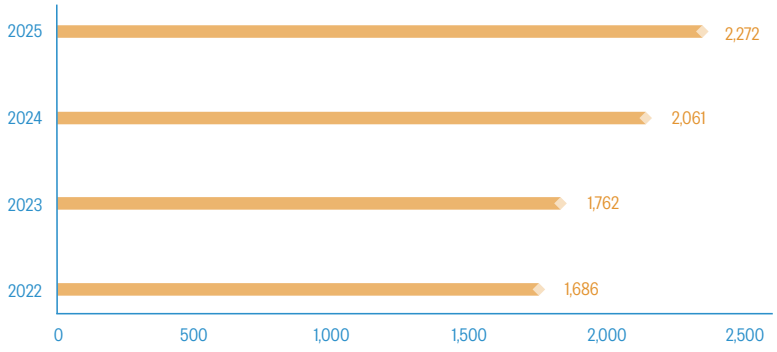


Internal Carbon Pricing (ICP)

As the global push toward net-zero intensifies, carbon pricing has emerged as a critical issue. The Climate Change Response Act was enacted in 2023, officially enshrining the Net Zero by 2050 goal into law and establishing a legal foundation for carbon taxation. Under this framework, the Ministry of Environment has introduced regulations for carbon tax collection. Beginning in 2025, power companies and major manufacturers emitting over 25,000 tCO2e annually will be required to pay the carbon tax. Domestically, the Climate Change Response Act was enacted in 2023, officially enshrining the Net Zero by 2050 goal into law and establishing a legal foundation for carbon taxation. Under this framework, the Ministry of Environment has introduced regulations for carbon tax collection. Beginning in 2025, power companies and major manufacturers emitting over 25,000 tCO_2e annually will be required to pay the carbon tax.

Since 2021, Innolux has implemented an internal carbon pricing (ICP) mechanism, leveraging the implicit price model to support carbon investment decisions and carbon reduction evaluations. The ICP is adjusted based on actual reduction performance and is incorporated into all business decision-making processes. In 2025, the Company raised its ICP from NT$2,061 to NT$2,272 per tCO_2e, covering emissions from Scope 1 and Scope 2. This approach aims to turn climate-related risks into opportunities while improving energy efficiency and optimizing carbon cost effectiveness, promoting low-carbon investment to demonstrate our commitment to sustainability, integrating carbon risks and climate issues into strategic decisions, seizing opportunities in low-carbon transformation to maintain competitiveness, influencing strategic and financial planning, and supporting the achievement of climate related policies and targets. By adopting this mechanism, Innolux has reinforced its commitment to environmental protection, advanced the vision of low-carbon manufacturing, and responded to the expectations of stakeholders.

Internal carbon pricing trends



Note1: Our internal carbon pricing is based on the following formula: {[Investment Amount (NTD) ÷ depreciation period (years)] + operation & maintenance costs (NTD) + inspection costs (NTD) } ÷ greenhouse gas emission reductions

Promoting Natural Carbon Sink Development and Contributing to Net-Zero Technologies

In response to the global net-zero emissions vision, Innolux is actively promoting the development of natural carbon sinks and contributing to net-zero technologies. The Company is advancing four key areas to comprehensively enhance the potential of natural carbon sinks in Taiwan:

- Cultivating talent and promoting the net-zero transition: In 2023, Innolux signed a three-year memorandum of understanding with National Taiwan University, focusing on the cultivation of outstanding talent in climate change and sustainable technologies. Through this collaboration, Innolux aims to drive the industry in seeking low-carbon transformation solutions and support government policy in moving toward net-zero targets.
- Advancing carbon sequestration technologies and developing carbon sink methodologies: Innolux works with National Taiwan University to optimize and refine methodologies for forest and soil carbon sinks, expanding their application and enhancing opportunities for natural carbon sink development. By collecting local carbon sequestration data at the NTU Experimental Forest, the Company is able to optimize forest operation and management methodologies. It also studies measurement, reporting, and verification (MRV) methods for soil carbon sinks, explores the impacts of different management practices on soil carbon sinks, provides recommendations for revising soil carbon sink methodologies, and promotes carbon-negative farming practices. On November 24, 2025, Innolux and National Taiwan University jointly presented research results on soil carbon sinks at the annual conference for the Chinese Society of Soil and Fertilizer Sciences.
- Participating in international initiatives and promoting sustainable practices: Innolux has joined the 4 per 1000 Initiative forum and works with National Taiwan University to promote soil carbon sink initiatives. Through demonstrations of soil operations and management, promotion of soil carbon sink knowledge, and actions to reduce carbon emissions, the Company aims to increase the application of soil carbon sequestration technologies. These efforts demonstrate Innolux's ambition to promote sustainable agriculture, support scientific research, and contribute to global carbon sequestration goals.
- Expanding carbon sinks through green spaces at company sites: To increase natural carbon sinks, Innolux planted 800 trees in 2023 and 1,125 trees in 2024, including high carbon-sequestration species such as the Formosan ash, Taiwan acacia, Japanese zelkova, Taiwan crepe myrtle, and Formosan gum. In 2025, with assistance from National Taiwan University, the Company conducted individual tree measurements, including basal diameter and tree height, in sample plots for newly planted trees to accurately understand the increase in carbon sinks across green spaces at its sites.



2025.11.24 Professor Zeng-Yei, Hseu from National Taiwan University has officially launched his research on soil carbon sequestration at the annual meeting of The Chinese Society of Soil and Fertilizer Sciences

Energy Management Policy

Innolux has formulated the following Energy Policy as the Company's standard for energy conservation and carbon reduction, keeping true to its commitments for both current and future development.

1. Comply with energy-related laws and regulations, align with international standards, meet stakeholder needs, and continuously improve the performance of the energy management system.
2. Respond to international energy management trends and customer requirements, remain committed to promoting the "Sustainable 3 GOs," fulfill energy-saving and carbon reduction targets, improve energy and resource efficiency, and develop renewable energy in order to reduce the impact of manufacturing and operations on energy performance.
3. Provide the resources necessary for energy management operations to ensure the achievement of established energy objectives and targets.
4. Support the procurement of energy-saving products and services, and encourage product design and R&D activities that improve energy performance.
5. Provide education, training, and effective communication channels to increase employees' awareness of energy management, and encourage all employees to participate in energy-saving proposals and implement energy management and conservation initiatives.

ISO 50001: 2018 Energy Management Systems

For more strategic and systematic energy management, Innolux has formulated its Energy Policy to boost energy efficiency, minimize waste, and maximize production outcomes using the least amount of environmental resources possible. In 2019, we introduced ISO 50001: 2018 energy management systems, which covers 99.9% of Innolux's energy consumption as of 2025, with only a few production sites with low energy significance yet to be included.

Energy Management Technical Committee

As the oversight body for energy management, the Innolux Energy Management Technical Committee is comprised of employees from the manufacturing, plant management, industrial engineering, procurement, EHS, and sustainability departments of the Company.

The committee is responsible for formulating energy policies, setting energy savings goals, and keeping regular track of project implementation progress. In 2025, a total of 112 new initiatives were proposed in the energy-savings competition, while 107 existing initiatives were concluded, with incentives offered for the best proposals. This resulted in savings of 3,741 MWh of electricity, equivalent to a reduction of 20,000 tCO_2e.

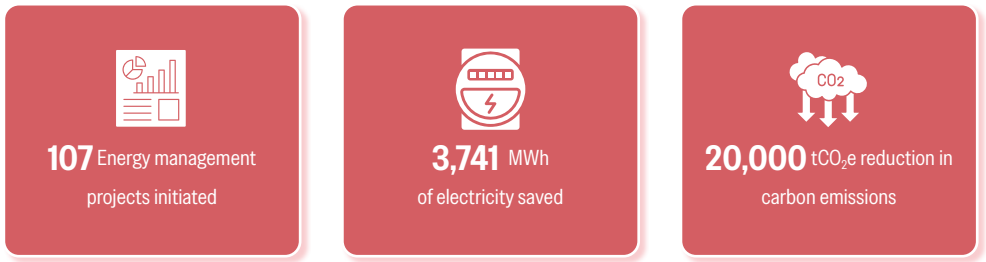
Overview of the Energy Management Technical Committee

Site	Employees on the Committee	2025 Outcomes			
		Initiatives	Completed	Energy conservation (kWh/year)	Annual energy conservation rate [Note 2] (%)
Zhunan	132	37	20	7,504,225	0.91%
Tainan	263	21	35	20,152,976	0.58%
Ningbo	50	37	37	10,263,037	5.32%
Foshan	50	17	15	1,492,359	1.27%
Total	495	112	107	39,412,597	0.86%

Note1: Carbon reduction (tCO_2e/year) = (Annual energy savings x emission coefficient) / 1000. Emission coefficient in 2024: 0.4740 $kgCO_2e$/kWh in Taiwan, 0.5703 $kgCO_2e$/kWh in China.

Note2: Annual energy conservation rate (%) = Annual energy saving / Consumption in 2024.

Energy Management Technical Committee



5.1.2 Natural Capital Governance

The decline in biodiversity potentially poses far-reaching risks to corporate operations and global supply chains. As biodiversity diminishes, the natural resources businesses depend on become increasingly unstable and depleted. These risks threaten operational continuity, potentially leading to supply chain disruptions, volatile resource prices, and heightened regulatory pressure. Therefore, protecting biodiversity is not only an environmental responsibility but also a critical factor for future business development. In response, Innolux has established the Biodiversity and Zero Deforestation Policy and the Innolux Sustainable Water Stewardship Policy.

Biodiversity and Zero Deforestation Policy

As a long-time supporter of environmental sustainability, Innolux understands the importance of natural resource preservation to its Net Zero initiative. To minimize impacts on biodiversity, we formulated the Biodiversity and Zero Deforestation Policy in 2023 as a pledge to safeguard biodiversity and end deforestation and have since required our value chain partners to meet fulfill their terms.

1. Respond to global goals and initiatives related to biodiversity conservation, zero deforestation, and indigenous rights.
2. Avoid developing operational bases in or near global or national protected or high-value biodiversity and forestry species areas when adding or making changes to construction projects, and comply with international and local regulations.
3. Analyze natural resource dependencies and impacts across the value chain, monitor zero deforestation and biodiversity inventory efforts, implement biodiversity risk assessments, and build up action baselines.
4. Require value chain partners to follow the same policy and seek opportunities for cooperation with external partners to jointly safeguard biodiversity, with the aim of achieving ecological compensation through afforestation and promoting harmonious coexistence with nature.
5. Adopt the concept of Nature-based Solutions when developing biodiversity action plans and adopt a hierarchical mitigation structure that considers the four steps of avoidance, minimization, restoration, and offsetting to the greatest extent possible to achieve the goals of No Net Loss (NNL) and Net Positive Impact (NPI).
6. Support the concept of a circular economy in product and package design to reduce reliance on ecosystem services, reduce the loss of natural capital, and end all deforestation (No Gross Deforestation).
7. Implement responsible procurement by prioritizing suppliers who emphasize sustainability and strictly prohibit cooperation with suppliers engaged in illegal logging or ecological destruction.

Water Resource Management Mechanism and Resilience Enhancement

In recognition of the importance of water resources to both business operations and environmental sustainability, Innolux actively improves water efficiency through robust management mechanisms and technological innovation to reduce water-related risks.

Supported by a comprehensive water resource management framework, the Company aligns with international standards and policy commitments to ensure corporate water resilience and long-term competitiveness.

We refer to ISO 46001: 2019 Water Efficiency Management System in long term, using the PDCA (Plan-Do-Check-Act) model, Innolux set water management goals and indicators, conducted a facility-wide water usage inventory, and formulated action plans to optimize water efficiency and reduce costs. Following the establishment of this mechanism, the Company carried out seed staff training and internal audits to ensure the continuation of best practices and to strengthen both its water management capabilities and efficiency and its corporate water resource resilience.

Sustainable Water Stewardship Policy

Due to drastic climate change-induced hydrologic changes, our external stakeholders are increasingly aware of the importance of water stewardship. As the ultimate guiding principle for and promise of water management, the Innolux Sustainable Water Stewardship Policy introduced the idea of water stewardship to its operations, products, and solutions, and to our value chain partners. We hope that through the three Rs—reducing, replacing, and reclamation—we are able to meet our water saving targets, improve water efficiency, and promote water conservation throughout our value chain. Additionally, we support global water-related goals and initiatives and adhere to international frameworks and standards. We have exceeded regulatory requirements in adopting transparency measures and practices and proactively disclosing our performance data.

1

We have adopted innovative concepts and practices in freshwater ecosystem conservation and the utilization of alternative water sources and intelligent monitoring systems to effectively reduce water withdrawal and consumption across our direct operations and supply chains, minimizing our water footprint and maximizing water use efficiency.

2

Our goal is to prevent, minimize, and control pollution, phase out hazardous substances, and implement regular water risk assessments to mitigate impacts on water resources.

3

We strive to ensure access to water and sanitation for all through the safety management of Water, Sanitation, and Hygiene (WASH) from workplaces to local communities in accordance with the SDGs.

4

We require our value chain partners to follow our policy and we seek opportunities for cooperation with external stakeholders to educate and build capacity that enhances water resilience.

Water Management System Framework



5.2 / Environmental Risk Management Strategies

GRI 2-23、2-24、2-25、201-2、303-1

The International Sustainability Standards Board (ISSB) officially released the Sustainability Disclosure Standards in 2023, which is based on the TCFD requirements and the four major pillars of governance, strategy, risk management, and metrics and targets, to create a consistent, comprehensive, global framework of standards that encompass multiple aspects of sustainability-related financial disclosures. Innolux utilizes the TCFD and TNFD disclosure frameworks to optimize its climate change/natural resource strategies and improve its procedures for sustainability governance and sustainable operations.

5.2.1 Climate Risk Assessment and Management

Innolux adopted the TCFD disclosure framework in 2020 and became an official TCFD signatory supporter in 2023. In order to effectively communicate material topics with decision-makers, investors, and other stakeholders, Innolux referenced the TCFD Knowledge Hub and disclosure guidelines from Taiwan and abroad to conduct materiality analyses and scenario simulations, with the ultimate goal of enhancing internal collaboration, external communication, and information transparency.

Biodiversity Impact Assessment

Based on recommendations of the TNFD's Locate stage (LEAP-L), Innolux conducted an assessment of over 400 operational and supplier sites worldwide using internationally recognized evaluation standards. Through the use of Geographic Information System (GIS) layered mapping, the Company established multi-tiered buffer zones with a 2-kilometer radius around its sites and identified nearby protected areas in Taiwan and other regions. To align with global biodiversity assessments, Innolux referenced Taiwan's environmental regulations and the protected reserves defined by NGOs, while applying the Integrated Biodiversity Assessment Tool (IBAT) developed by the Natural Capital Finance Alliance (NCFA) and the classification standards established by the International Union for Conservation of Nature (IUCN). Non-statutory protected areas, such as indigenous traditional territories and key biodiversity areas (KBAs), were also included in the assessment. A total of ten mapping layers were compiled to ensure that our operational planning takes into account both ecological conservation and respect for cultural heritage.

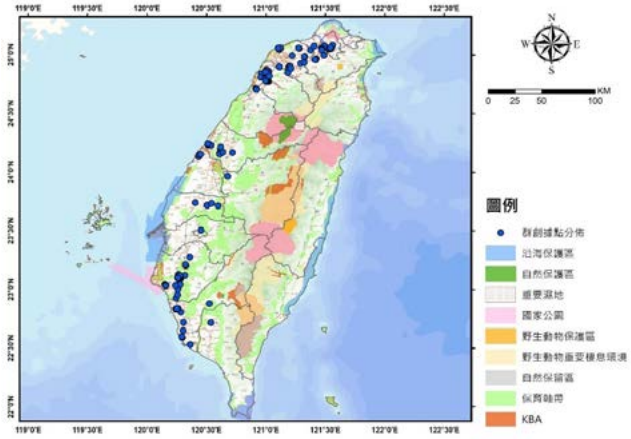
Comparison Table of Taiwan and International IUCN Protected Area Categories

Regulatory Basis		Type	IUCN Classification	IUCN Category Name (English)	IUCN Category Name (Chinese)
Statutory	Cultural Heritage Preservation Act	Nature Reserve	I	Strict Nature Reserve	Strict Nature Reserve
	National Park Law	National Park	II	National Park	National Park
	Forestry Act	Natural Reserve	III	Natural Monument/ Feature	Natural Monument or Feature
	Wildlife Conservation Act	Wildlife Reserve / Major Habitat	IV	Habitat / Species Management Area	Habitat/Species Management Area
	Wetland Conservation Act	Major Wetlands	IV	Habitat / Species Management Area	Habitat/Species Management Area
	Coastal Zone Management Act	Coastal Reserve	V	Protected Landscape or Seascape	Protected Landscape/ Seascape
Non-Statutory		Key Biodiversity Habitat / Ecological Corridor / Indigenous Traditional Land	-	-	-

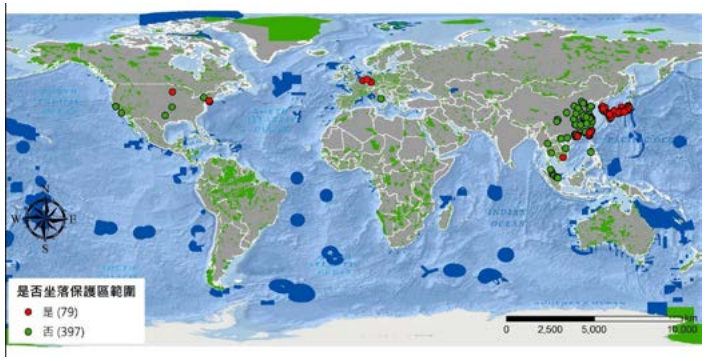
Note: The correspondence presented in this table is based on the guidelines of the World Conservation Monitoring Centre (WCMC) under the United Nations Environment Programme (UNEP).

The assessment results indicated that none of Innolux's production sites overlap a 2-kilometer radius buffer zone around nature reserves. The overlap ratios within 5 km, 10 km, and 20 km buffer zones were all below 10%. The primary scopes of potential impact include wildlife habitats, wetlands, coastal zones, and key biodiversity areas. While 79 of our supplier sites are situated within the 2 km buffer zone of a nature reserve, the overlapping areas represent less than 5% of the respective reserve areas. Furthermore, no Innolux sites are located within the 2 km buffer zone of any indigenous traditional territories.

Map of Innolux and Supplier Sites within Protected Reserves in Taiwan



Map of Innolux and Supplier Sites (Including 2 km Buffer Zone) and Nature Reserves



Production Site and Protected Reserve Assessment Results

Buffer Zone	Taiwan		Outside of Taiwan	
	Statutory Reserves (%)	Non-Statutory Reserves (%)	IUCN Reserves (%)	Key Biodiversity Areas (%)
2 km	0	0	0	0
5 km	1.57	1.06	0	0
10 km	2.04	2.18	0	0.83
20 km	1.72	6.54	0	2.51

Note: Percentages for non-statutory reserves in Taiwan only include key biodiversity areas and not ecological corridors and Indigenous reserves.

Supplier Site and Protected Reserve Assessment Results

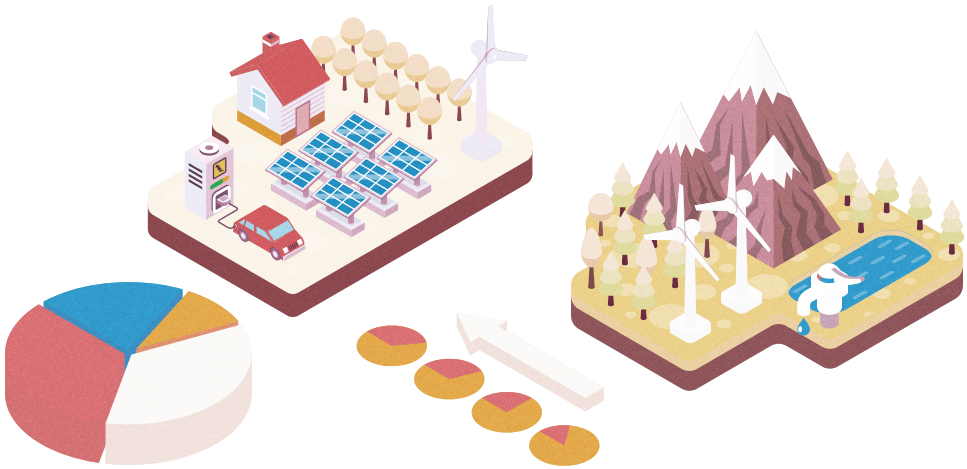
Buffer Zone	Taiwan		Outside of Taiwan	
	Statutory Reserves (%)	Non-Statutory Reserves (%)	IUCN Reserves (%)	Key Biodiversity Areas (%)
2km	1.63	2.52	4.41	3.66
5km	1.50	3.18	6.03	5.21
10km	1.78	3.27	8.80	6.14
20km	2.57	4.58	11.7	7.47

Note: Percentages for non-statutory reserves in Taiwan only include key biodiversity areas and not ecological corridors and Indigenous reserves.

Natural Resource Dependence and Impact Assessment

Innolux adopted the ENCORE tool, jointly developed by the Natural Capital Finance Alliance (NCFA) and the United Nations Environment Programme (UNEP), to conduct the Evaluate (LEAP-E) phase of the TNFD framework. The analysis focused on the electronics and hardware manufacturing sectors and examined dependencies and impacts across 31 categories of natural capital. Results showed that Innolux's operations exhibit moderate dependency on surface water and groundwater, high impacts on soil contamination and water pollution, and moderate impacts on solid waste generation and environmental disturbance. Upstream suppliers demonstrated high impact levels across multiple categories, whereas downstream clients and products showed no significant dependencies or impacts in the areas assessed.

For the high-dependency and high-impact categories, Innolux employed the Potentially Disappeared Fraction (PDF) metric to further quantify and analyze impacts on biodiversity — focusing on water resources and solid waste — by incorporating emission and treatment volumes to assess relative biodiversity loss. The analysis found that Taiwan sites have a higher biodiversity impact than sites in China, primarily due to the larger volumes of general waste generated. Furthermore, wastewater from panel manufacturing processes exhibited notable impacts on freshwater ecotoxicity and eutrophication.



Analysis of Nature-Related Dependencies and Impacts Across the Operational Value Chain

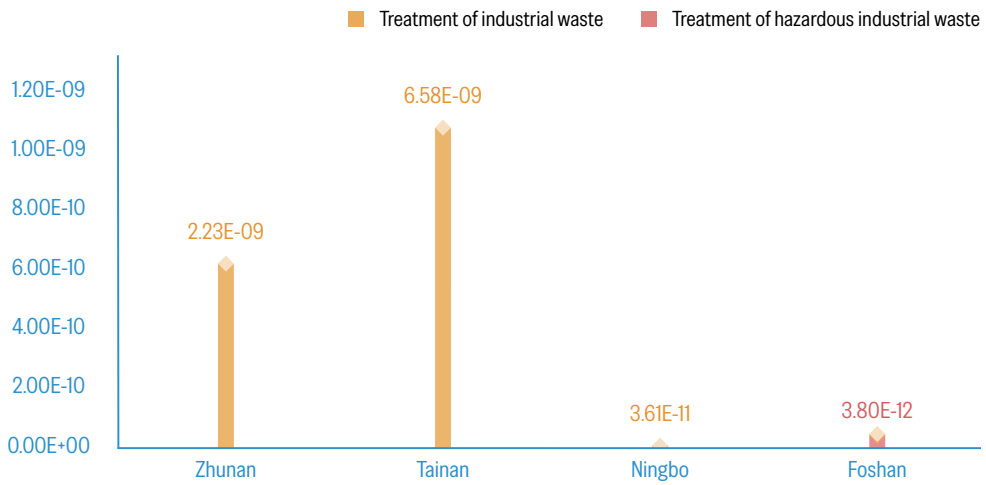
Scope	Dependence		Impact	
	Aspect	Risk	Aspect	Risk
Upstream suppliers	-	-	Effluent	Extremely high to high
	-	-	GHG emissions	High
	-	-	Solid waste	High
	-	-	Terrestrial Ecosystems	High
	-	-	General air pollution	High to moderate
	-	-	Soil contamination	High to low
	-	-	Water pollution	High to low
Innolux operations	Surface water	Moderate	Soil contamination	High
	Ground water	Moderate	Water pollution	High
	-	-	Solid waste	Moderate
	-	-	Environmental disturbance (noise and light pollution)	Moderate
Downstream clients and products	-	-	-	-

Analysis of Biodiversity Impact Categories at Production Sites

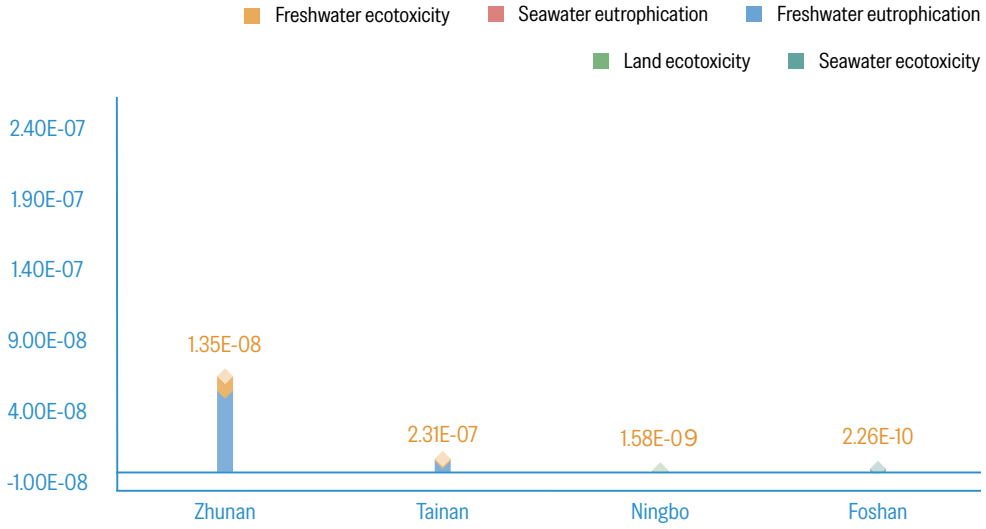
Site	Primary Water Impact	Primary Waste Impact
Zhunan	Freshwater eutrophication	General waste
Tainan	Freshwater ecotoxicity	General waste
Ningbo	Seawater eutrophication	General/hazardous waste
Foshan	Freshwater eutrophication	General/hazardous waste

Note: Soil contamination is included in the waste evaluation in accordance with the law.

Biodiversity Impact Analysis of Waste Treatment at Operating Sites



Biodiversity Impact Analysis of Water Discharges at Operating Sites

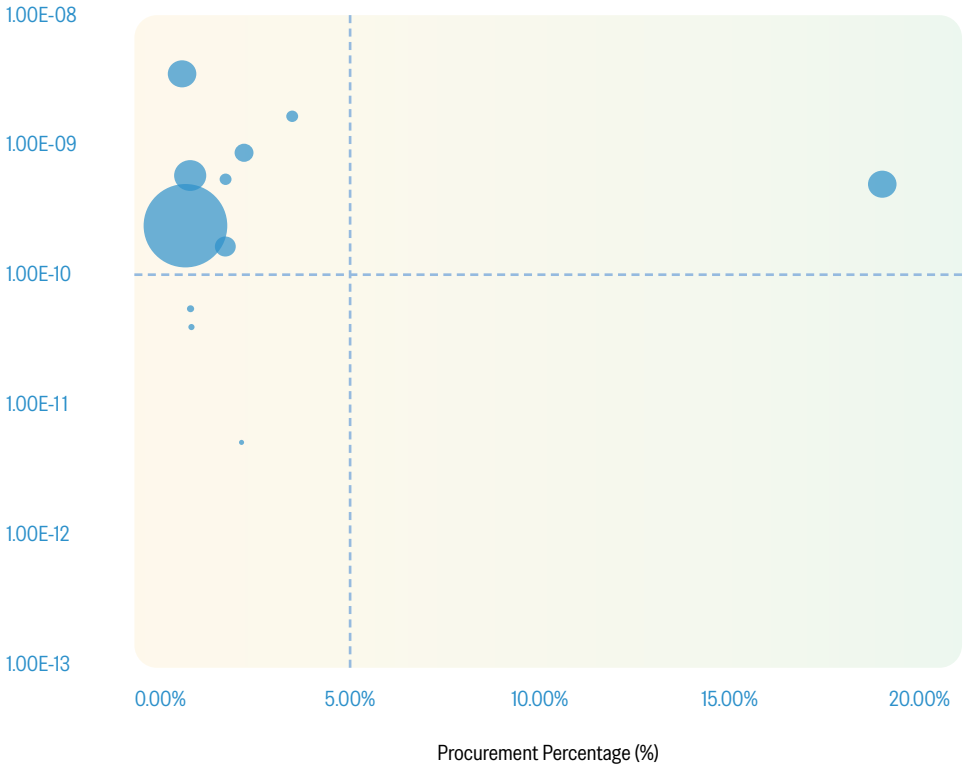


Building on the above analysis of high-dependency and high-impact items in Innolux's own operations, the Company further expanded its assessment scope to the upstream value chain. For water and waste among key suppliers, Innolux also applied the Potentially Disappeared Fraction (PDF) metric for quantitative classification in order to gain a more comprehensive understanding of environmental risks across the value chain. The results showed that environmental impacts along the supply chain are highly concentrated and closely aligned with the ecosystem of the panel industry supply chain.

Through a four-quadrant materiality matrix analysis, Innolux identified two major risk groups within the data. First, in both matrices, one core large-scale supplier with a high procurement share was located in the upper-right quadrant. Its effluent- and waste-related PDF impacts fell within the significant high-impact range, indicating a high environmental footprint due to the large scale of its processes. This supplier has therefore been identified as a focus for subsequent environmental risk engagement and supply chain sustainability assessment. Second, the analysis also identified several core suppliers located in the upper-left quadrant. Given the vast scale of the panel industry supply chain, which includes thousands of suppliers, the share of individual supplier procurement may appear diluted due to the large overall base. However, the ecological impacts of their process effluents or waste still reached significant levels. This finding reveals the blind spot of traditional risk screening based solely on procurement value. These "low-share, high-impact" core suppliers have therefore also been identified as key focus targets for follow-up management.

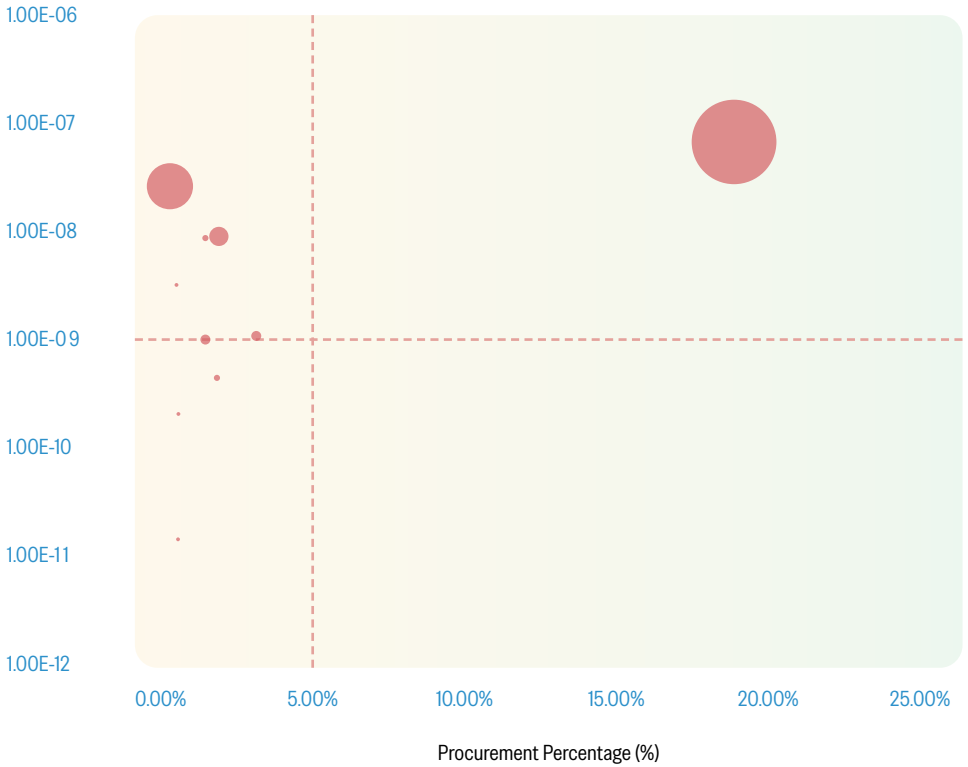
In terms of chart characteristics, many smaller bubbles show much higher potential biodiversity impacts than some larger bubbles. This indicates that impact intensity is not necessarily directly proportional to volume; the characteristics of hazardous components and treatment pathways are far more ecologically decisive than total volume alone. This quantitative analysis helps Innolux identify natural capital risks more comprehensively and serves as an important basis for planning appropriate biodiversity conservation actions and promoting green transformation throughout the upstream supply chain.

Biodiversity Impact Analysis of Waste Treatment in the Upstream Value Chain



Note: Bubble size represents the amount of waste treated.

Biodiversity Impact Analysis of Water Discharges in the Upstream Value Chain



Note: Bubble size represents the amount of effluent discharged.

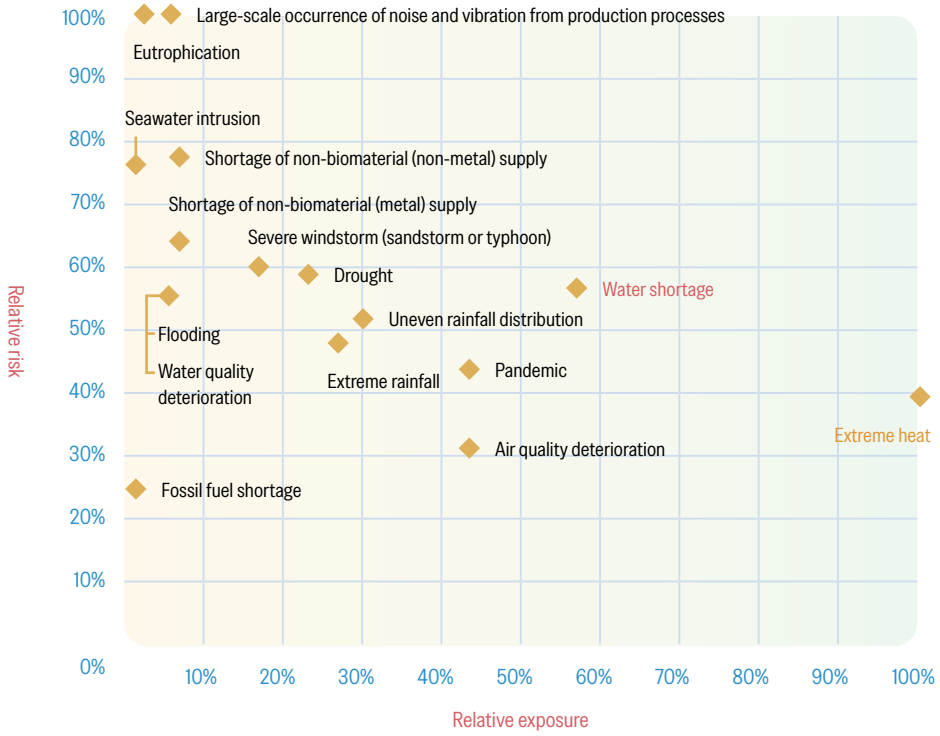
Identification of Material Nature-related Topics

To effectively identify the materiality of nature-related issues during the TNFD Assess (LEAP-A) phase, Innolux conducted an evaluation based on the findings from the Evaluation (LEAP-E) phase. As downstream products were found to have no significant dependencies or impacts on nature, the Company focused its assessment on internal operations and upstream suppliers. Leveraging the System of Environmental and Economic Accounting (SEEA) developed by the United Nations Statistics Division (UNSD), Innolux assessed "exposure" as the potential environmental threat and "severity" as the degree of environmental change, incorporating short-, medium-, and long-term impact timelines, as well as mitigation measures, management systems, and monitoring and goal-setting frameworks. The Company conducted a before-and-after comparison of adaptation measures based on an analysis of 119 questionnaire responses from production sites and determined material issues according to the significance of the two indicators (exposure and severity).

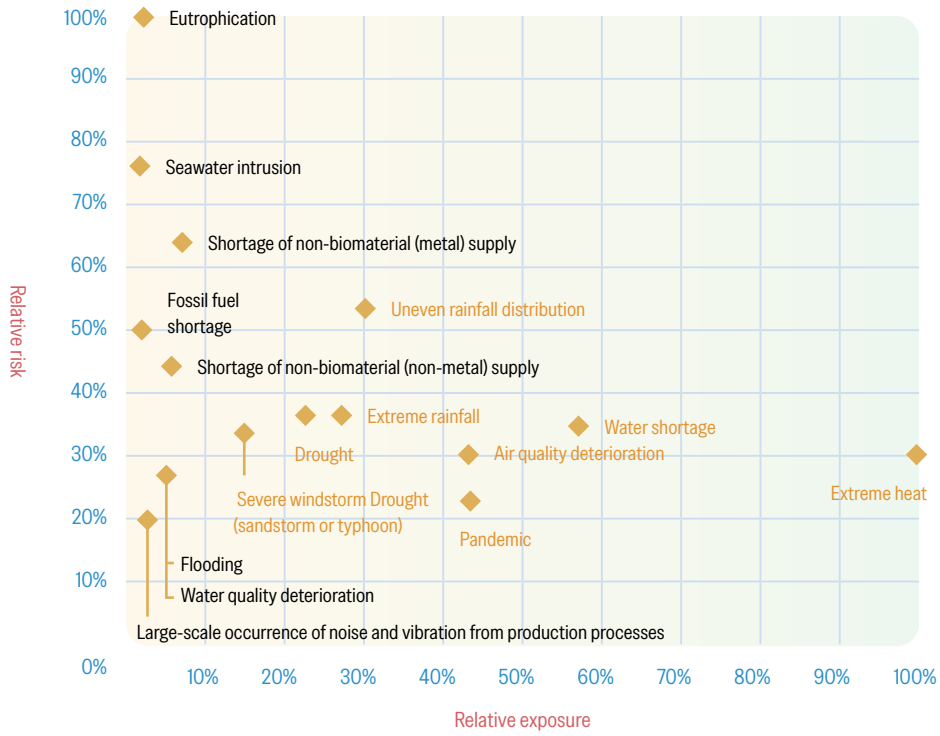
The results indicated that water shortages is a material topic in terms of exposure before adaptation (no material topics identified after the implementation of adaptation measures), and that climate change, soil contamination, fossil fuel use, and use of water resources are material topics in terms of severity. Accordingly, Innolux has designated climate change and water resources as priority management areas and launched risk assessments to manage and address potential impacts.

Materiality of Nature-Related Dependencies and Natural Disasters

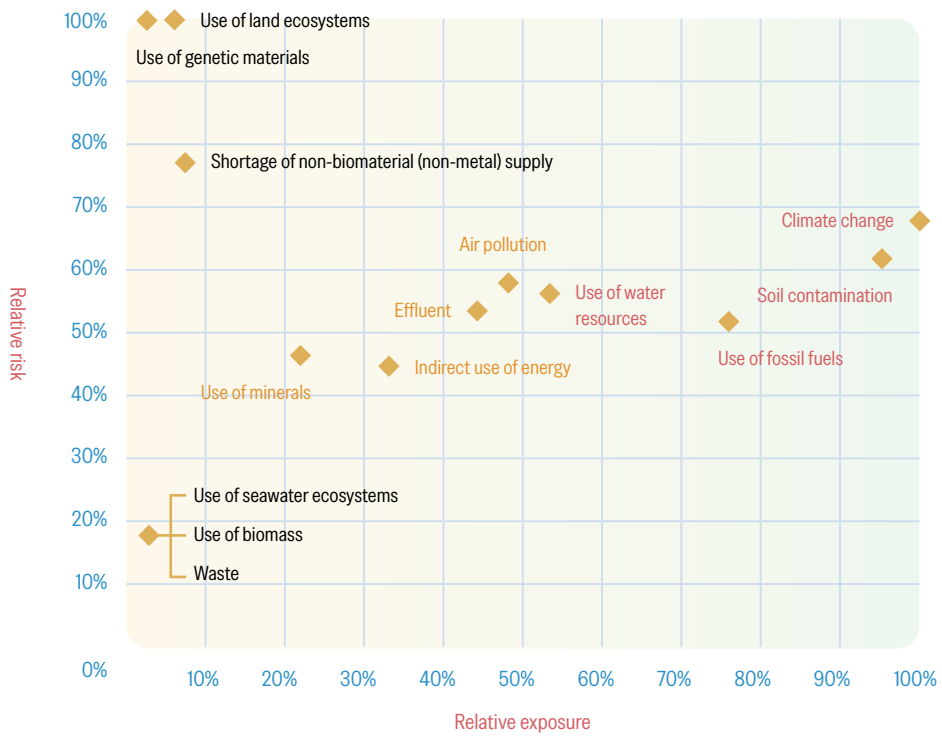
Nature Reliance (Disaster Resilience) Materiality Matrix (before adjustment)



Nature Reliance (Disaster Resilience) Materiality Matrix (after adjustment)



Materiality of Natural Impacts



5.2.2 Climate Risk Assessment and Management

In keeping with global sustainability trends, Innolux has adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework since 2020, positioning itself as a pioneer in enhancing transparency on climate-related issues. In 2023, the Company further demonstrated its commitment by officially becoming a TCFD Supporter. Guided by the TCFD Knowledge Hub and incorporating the disclosure principles of the Taskforce on Nature-related Financial Disclosures (TNFD), Innolux has strengthened internal collaboration through conducting materiality assessments and implementing scenario analyses. These efforts aim to improve the quality and transparency of climate- and nature-related disclosures, thereby enabling stakeholders to focus on critical sustainability issues.

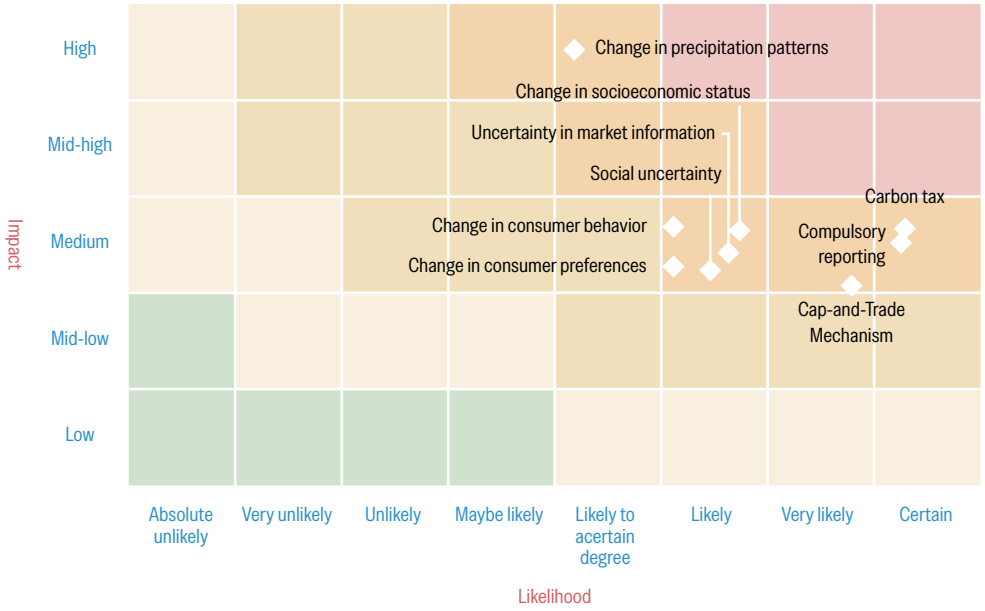
Identification of Material Climate Topics

Among all external uncertainties affecting business operations, climate change poses the most extensive and diverse impacts. Guided by the TCFD framework and informed by global trends, academic research, evaluation indicators, and industry reports, Innolux has identified 58 potential climate-related risks and opportunities. These span four transition risk categories (policy and regulation, technology, markets, and reputation), two physical risk categories (acute and chronic), and five opportunity categories (resource efficiency, energy sources, products and services, markets, and resilience).

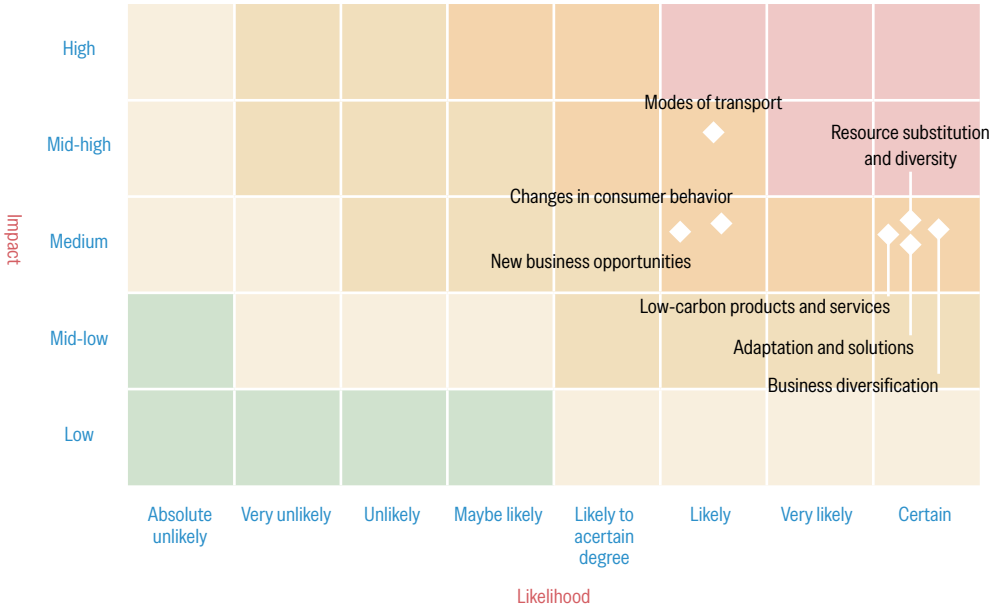
To address these challenges, the Company convenes managers from production sites every six months to review, assess, and revise material issues, considering changes across the value chain in the short, medium, and long term, and across regions. In alignment with TCFD-defined financial impacts, Innolux has developed a comprehensive assessment and management system across eight financial dimensions: revenue, direct costs, indirect costs, capital expenditures, capital gains, asset value, insurance premiums, and liabilities.

The analysis identified variations in precipitation patterns as the most significant physical risk. The top three transition risks—all regulatory—are carbon taxes and fees, mandatory climate disclosures, and cap-and-trade/emissions trading schemes. Key opportunities include adaptation and climate solutions, alternative or diversified resources, and water resource utilization.

Climate Change Related Risk Matrix



Climate Change Related Opportunity Matrix



Type of Impact	Material Impact	Scope of Impact	Time Horizon	Revenue	Costs	Expenses	Capital	Assets	Insurance	Liabilities	Corresponding chapters/ sections in this report
Physical risk (acute)	Changes in precipitation patterns	Upstream, self, downstream	Medium- to long-term	●	●			●	●	●	5.5 Water Resource Management
Transition risk (regulatory)	Compulsory reporting	Upstream, self, downstream	Short- to long-term		●						5.1.1 Climate Change Governance 5.3 Greenhouse Gas Management
	Carbon tax and fees	Upstream, self, downstream	Short-term		●			●			
	Cap-and-trade/ emissions trading	Upstream, self	Medium- to long-term		●			●			
Opportunity (products and services)	Adaptation and solutions	Upstream, self, downstream	Short-term	●				●			3.2 Sustainable Manufacturing
	Alternative or diversified resources	Upstream, self, downstream	Short-term	●				●			
Opportunity (resource efficiency)	Water resource utilization	Upstream, self	Long-term		●						5.5 Water Resource Management

Climate Change Scenario Simulation

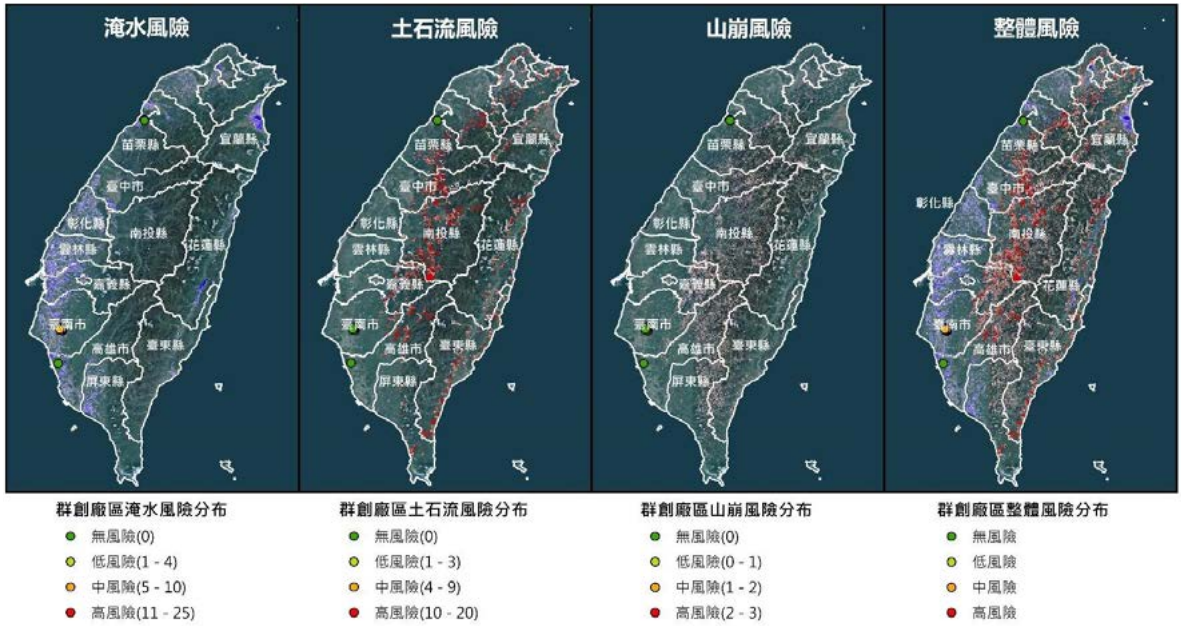
Based on the results of materiality identification, Innolux conducted a scenario analysis of key climate-related impacts in alignment with the Sixth Assessment Report (AR6) released by the Intergovernmental Panel on Climate Change (IPCC) in 2021. The analysis employed a combined matrix of Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSPs) to simulate climate impacts across different time horizons. External databases were also referenced for cross-validation to enhance the credibility of findings. Multiple scenarios—including both best- and worst-case projections—were assessed to ensure comprehensive analysis and to strengthen the flexibility and robustness of future decision-making.

Impact	Physical	Transitional
Pathway	RCP8.5、SSP1-RCP2.6、SSP2-RCP4.5、SSP3-RCP7.0、SSP5-RCP8.5	BAU、NDCs、SBT-NZ、SSP1-1.9、SSP2-4.5
Time horizon	2021-2100 (From short-term to long-term)	2023-2050
Region	Taiwan	Global
Type	Acute / Chronic	Regulatory / Technological
Scope	Upstream / Self	Self

In assessing the physical impacts of climate change, extreme rainfall has been identified as the most significant hazard, while vulnerabilities include risks such as flooding, landslides, and mudflows. Innolux's production sites were considered exposure elements in the analysis. Sites were categorized into four risk levels: no risk, low risk, medium risk, and high risk. The assessment encompassed a total of 139 production-related sites in Taiwan, including eight Innolux facilities and 131 supplier locations. Using mapping data from the National Science and Technology Center for Disaster Reduction (NCDR), Innolux analyzed projected rainfall trends and changes in the number of dry days under the RCP 8.5 scenario, and used these data to estimate potential future financial impacts.

The analysis results indicate that the risk of climate-related disasters will increase if the trend of intensified rainfall and prolonged dry spells continues in Taiwan. Under the four assessed climate scenarios, 62.5% of Innolux's operational sites fall into the no-risk category, while 37.5% are classified as low to medium risk. Among suppliers, 66.4% of sites are assessed as no risk across all scenarios. In more optimistic scenarios, the number of high-risk supplier sites ranges from 3 to 5, whereas in more severe scenarios, this increases to 5 to 11 sites—accounting for less than 0.2% of all supplier sites. In response, Innolux has formulated a climate adaptation plan covering 100% of existing and new operational sites and is committed to developing comprehensive adaptation measures for all medium- to high-risk sites within five years.

Disaster Risk Levels and Distribution of Manufacturing Sites



Revenue Impact under RCP 8.5 Physical Risk Scenario

Site	Change in Precipitation Note 1	Change in Number of Days Without Rainfal Note 1	Acute/Chronic Disaster		Acute Disaster	
			Flood (Drought)		Mudslide/Landslide	
			Likelihood	Potential Financial Impact Note 12	Likelihood	Potential Financial Impact
Zhunan	+12%	+8%	↑	-0.1~0.3%	Assessment methodology pending	
Tainan	+16%	+12%	↑	-0.1~0.3%	Assessment methodology pending	

Note1: Based on the maps for RCP 8.5 provided by TCCIP; data from northern Taiwan used for the Zhunan site, and data from southern Taiwan used for the Tainan site.

Note2: Cost estimates based on Innolux's operating income in the greater China region in 2023 and the average number of days affected by natural disasters.

Climate Change Risk Levels

Risk level	Scope	SSP1-RCP2.6				SSP2-RCP4.5				SSP3-RCP7.0				SSP5-RCP8.5			
		Short-term	Medium-term	Medium-to-long-term	Long-term	Short-term	Medium-term	Medium- to long-term	Long-term	Short-term	Medium-term	Medium- to long-term	Long-term	Short-term	Medium-term	Medium- to long-term	Long-term
None	Company Sites	62.5	62.5	62.6	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5
Low		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25
Medium		37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5.	37.5	37.5	37.5	37.5	12.5
High		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
None	Suppliers	66.4	66.4	66.4	66.4	66.4	66.4	66.4	66.4	66.4	66.4	66.4	66.4	66.4	66.4	66.4	66.4
Low		16.8	16	16	15.3	11.5	16	15.3	13.7	14.5	15.3	13.7	12.2	12.2	14.5	16.8	13.7
Medium		14.5	13.7	13.7	14.5	18.3	15.3	14.5	16	15.3	14.5	16	15.3	17.6	16.8	13	11.5
High		0	0	0	0	0	0	0	0	0	0	0	0.1	0	0	0	0.1

Regarding transitional impacts due to climate change, Innolux conducted an impact assessment based on the Nationally Determined Contributions (NDCs) Net Zero Pathway and incorporating the IPCC's Representative Concentration Pathway (SSP1-1.9) and the Science Based Targets initiative (SBTi)'s 1.5° C target. We compared emissions in a Business-as-Usual (BAU) scenario and the RE100 transition plan and adopted the SSP2-4.5 scenario to project future revenue and perform financial impact assessments, taking into account customer expectations and market competitiveness,

The assessment results reveal that regardless of the pathway chosen, Innolux will be affected by both international cap and trade carbon pricing mechanisms (quantity-based) and domestic carbon fee policies (price-based), with potential revenue impacts of up to 10.8%. Under the NDCs scenario, more than 80% of our stakeholders will be closely monitoring Innolux's climate performance between 2041 and 2050. The RE100 transition plan scenario suggests that as long as we invest 5.8% of our revenue in long-term renewable energy or CCUS (Carbon Capture, Utilization, and Storage) technologies, we will be able to significantly mitigate climate-related risks. Innolux will continue to review potential climate-related financial impacts on a rolling basis and remains committed to achieving net-zero transformation while maximizing financial benefits.

Revenue Impacts from Climate Transition Risks

Transformational Risk or Opportunity	Scenario	2023-2030	2031-2040	2041-2050
Domestic carbon tax	BAU standard scenario	0.32%	0.24%	0.16%
	NDCs-consistent pathway	0.27%	0.15%	0.06%
	RE100 transition plan	0.29%	0.15%	0.03%
International carbon quotas/permits	BAU standard scenario	6.61%	10.80%	9.73%
	SBT-NZ-consistent pathway	5.40%	5.44%	2.74%
	SSP1-1.9-consistent pathway	5.71%	5.28%	2.22%
	RE100 transition plan	5.87%	6.37%	1.94%
Markets not covered by transformation plans	NDCs-consistent pathway	16.91%	48.73%	84.09%
	SBT-NZ-consistent pathway	4.86%	12.57%	21.14%
Markets covered by transformation plans	NDCs-consistent pathway	26.78%	19.41%	0.00%
	SBT-NZ-consistent pathway	30.70%	6.83%	0.00%
Renewable energy / Introduction of CCUS	RE100 transition plan	0.81%	3.17%	5.80%

Note: Impact (%) = Valuation of potential impact (NT$) / Projected annual revenue (NT$). Projected revenue estimation is based on 2023 revenue under the SSP2-4.5 pathway.

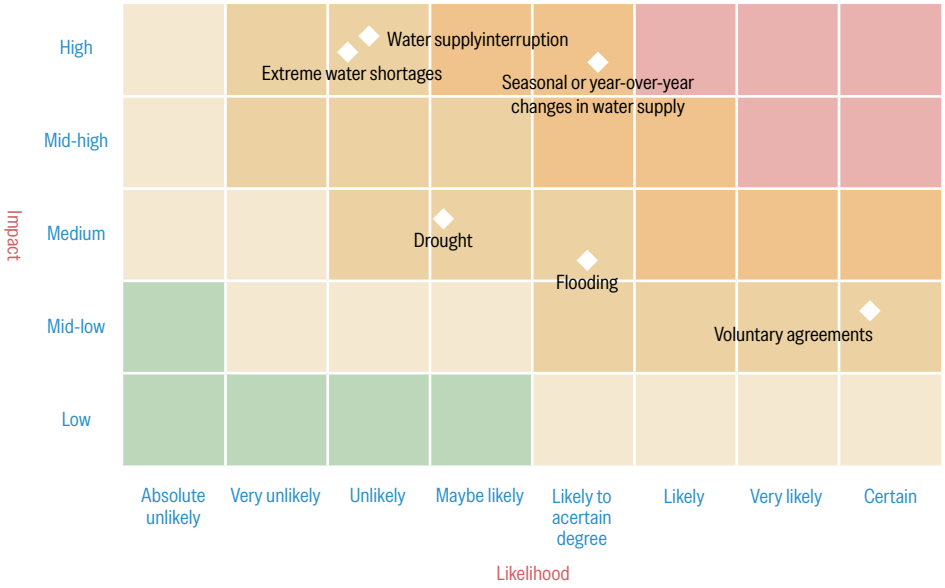
5.2.3 Water Resource Risk Assessment and Management

In alignment with the TNFD and TCFD frameworks, Innolux conducts systematic assessments of water-related impacts through materiality analysis and scenario simulations, ensuring that its disclosures are consistent with international standards.

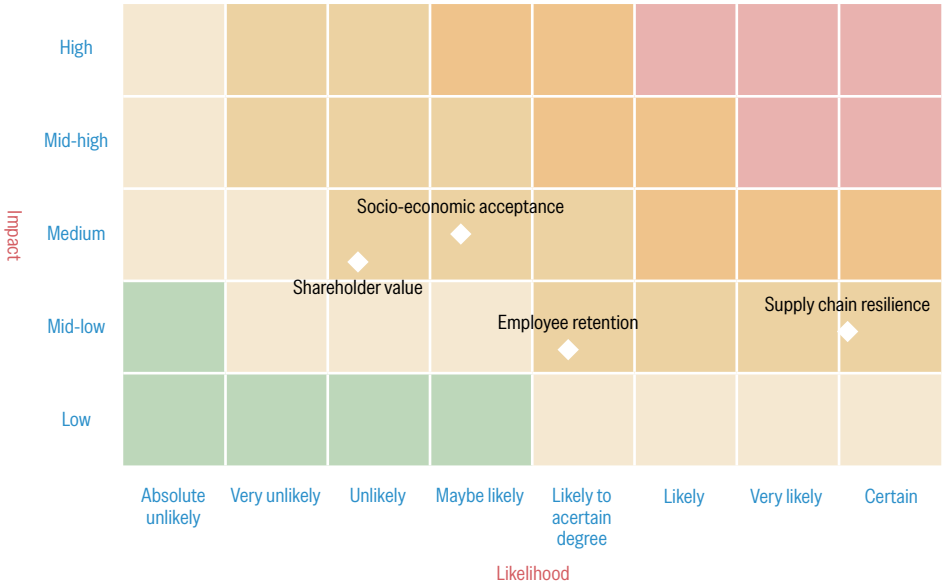
Identification of Material Water Resource Topics

By referencing global trends, academic research, evaluation indices, and industry reports, Innolux has identified and categorized 65 potential water-related risks and opportunities. To address variations across the short-, medium-, and long-term timeframe and spatial scales, the Company adopted a value chain-wide approach that covers upstream suppliers, internal operations, and downstream customers. The materiality analysis revealed that seasonal or year-over-year changes in water supply, flooding risk, and supply chain resilience are among the more notable impacts. Although these factors were not considered to be material topics, Innolux still recognizes their potential implications. To ensure effective risk management and implementation of response plans, the Company brings together site managers every six months to review water resource management strategies.

Water Risk Matrix



Water Opportunity Matrix



Note: Only risks and opportunities with a moderate or higher level are included.

Water Resource Scenario Simulation

For its water scenario assessment, Innolux utilized Aqueduct 4.0, developed by the World Resources Institute (WRI). The base-year assessment covers 13 indicators, including base-year water stress, base-year water consumption, year-to-year changes, seasonal changes, groundwater level, riverbank overflow risk, seawater intrusion, drought risk, untreated effluent, coastal area salinization potential, clean water facilities (or the lack thereof), sanitation facilities (or the lack thereof), and national ESG ratings.

Based on three climate change scenarios—Business As Usual (BAU, SSP3-RCP7.0), Optimistic (OPT, SSP1-RCP2.6), and Pessimistic (PES, SSP5-RCP8.5)—and three time horizons (short-term: 2021–2030; medium-term: 2041–2060; long-term: 2061–2080), Innolux designed nine water stress levels to simulate future risks.

The base-year analysis results suggest that 2% of our global sites, primarily located in northern China, are exposed to very high risks. Sites that are exposed to high risks are primarily located in central and southern China, Indonesia, the Philippines, Thailand, and Vietnam. After incorporating time horizons into the assessment, Innolux site water stress levels saw no significant change, while the number of supplier sites categorized as very high stress decreased and those categorized as high stress increased. In response to these potential risks, the Company has established corresponding water risk policies.

WRI Overall Water Risk-Manufacturing Sites



WRI Overall Water Risk-Manufacturing Sites WRI -Key Suppliers



Water Stress Trends in Various Scenarios

Scenario / Stress level	Base period value	BAU			OPT			PES		
		2030	2050	2080	2030	2050	2080	2030	2050	2080
Very high	62	↘	↘	↗	↗	↘	↘	↘	↘	↘
High	25	↗	↘	↘	↘	↗	↗	↗	↗	↗
Moderate to high	86	↗	↘	↘	↗	↘	↘	↗	↘	↘
Low to moderate	228	↗	↗	↘	↗	↘	↗	↗	↗	↗
Low	75	↘	↘	↗	↘	↗	↗	↘	↗	↗

Water Resource Crisis Management

In 2023, Southern Taiwan faced a severe water shortage. While the government worked to establish a drought response center to improve water distribution, Innolux viewed the situation as an opportunity to enhance its infrastructure for improved water conservation and reclamation capabilities by formulating the Drought and Water Shortage Response Directives for Taiwan Sites. For more business continuity initiatives, please refer to 2.2.3 Business Continuity Management.

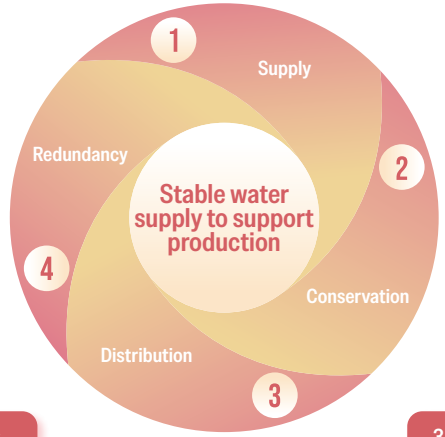
Innolux has also complied with the water rationing and conservation measures stipulated by the government. Through internal water savings and water source allocation efforts, we have been able to ensure uninterrupted production amid water shortages.

1. Supply

- Use of reclaimed water from Yongkang water recycling facility in the manufacturing process

2. Conservation

- Recycling of industrial effluent
- Purchasing or leasing of mobile water purification equipment



4. Redundancy

- Procurement and preparation of external water supply
- Expansion of internal water reserves

3. Distribution

- Distribution of water resources across plants

5.3 / Green House Gas Management

GRI 305-1、305-2、305-3、305-4、305-5

In response to the global challenge of climate change, it is essential for businesses to effectively reduce and manage greenhouse gas (GHG) emissions throughout their production and operational processes. Innolux conducts an annual GHG inventory in accordance with the ISO 14064-1: 2018 standard and obtains third-party verification to ensure the accuracy and transparency of emissions data across all operational sites.

In May 2023, Innolux passed the review of the Science Based Targets initiative (SBTi), committing to a 15% reduction in Scope 1 and Scope 2 GHG emissions by 2026 (compared to 2020), and a 6.2% reduction in Scope 3 emissions by 2026 (compared to 2021). With these clearly defined reduction targets, Innolux is accelerating its decarbonization efforts and transition toward sustainable development. Innolux actively demonstrates its commitment to carbon reduction. At the end of 2025, the Company submitted its application for the next-stage SBTi 1.5 ° C absolute emissions reduction target commitment for 2030, demonstrating Innolux's persistent efforts, continued focus on greenhouse gas issues, and a long-term commitment to investing resources in support of net-zero carbon reduction.

5.3.1 Greenhouse Gas Inventory

Since 2021, Innolux has conducted an annual GHG inventory in accordance with ISO 14064-1: 2018 and the GHG Protocol. To enhance the disclosure of indirect emissions (Scope 3), the Company has identified key emission categories and integrated relevant data systems. These categories include upstream and downstream transportation and distribution, business travel, employee commuting, procurement of goods and services (raw materials), fuel- and energy-related activities, waste generated in operations, and investments (subsidiaries). Moving forward, Innolux plans to further expand the inventory scope to gain deeper insight into carbon emissions across the value chain.

In 2025, Innolux reported 0.079 million tCO_2e in Scope 1 emissions (Category 1), 2.045 million tCO_2e in Scope 2 emissions (Category 2), and 2.940 million tCO_2e in Scope 3 emissions (Categories 3 to 5), amounting to a total of 5.064 million tCO_2e. Purchased energy was the largest contributor, accounting for 40.38% of total emissions.

Greenhouse Gas emissions in Recent Years

Item	Category	Emissions (million tCO_2e)	Percentage (%)
A. Direct GHG emissions		0.079	1.56%
B. Indirect GHG emissions from imported energy		2.045	40.38%
C. Indirect GHG emissions from transportation	Upstream transport and distribution	0.004	0.08%
	Downstream transport and distribution	0.009	0.18%
	Business travel	0.002	0.04%
	Employee commutes	0.024	0.47%
D. Indirect GHG emissions from products used by the organization	Procurement of products and services (raw materials)	2.332	46.05%
	Fuel energy	0.490	9.68%
	Waste produced in business operations	0.011	0.22%
E. Indirect GHG emissions associated with the use of the organization's products	Investments (subsidiaries)	0.068	1.34%
Total		5.064	100%

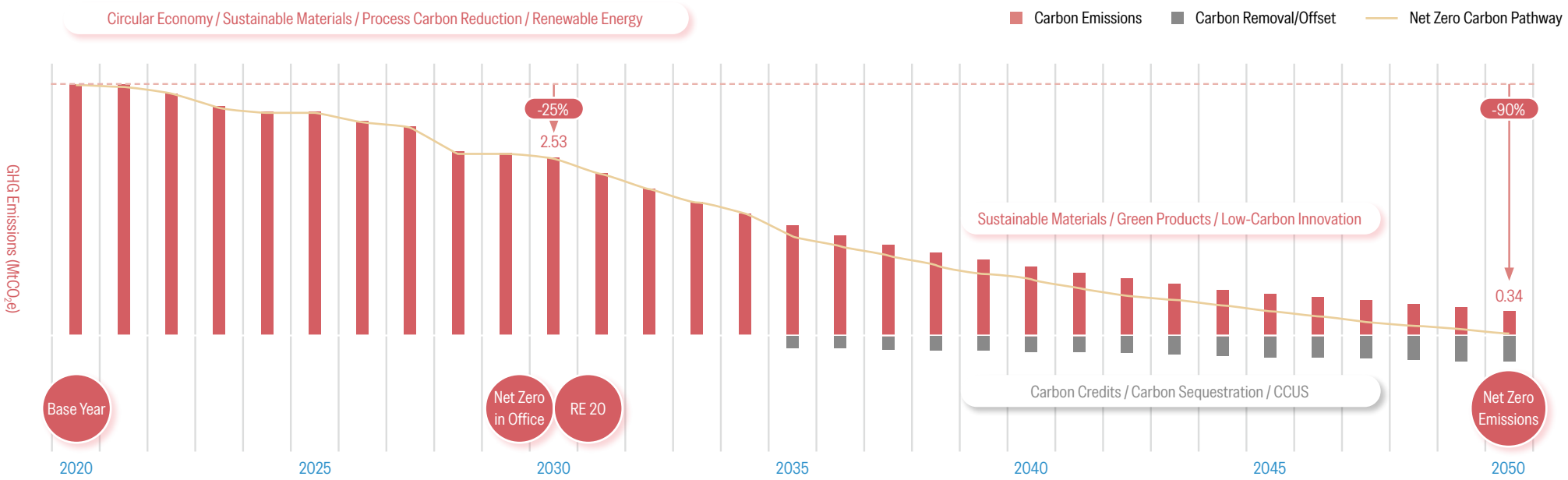
Unit: million tCO_2e	2020	2021	2022	2023	2024	2025
Scope 1	0.323	0.306	0.117	0.110	0.079	0.079
Scope 2	3.047	3.006	2.605	2.494	2.161	2.045
Scope 3	0.028	0.609	1.221	1.648	2.876	2.940
Total	3.39	3.921	3.943	4.252	5.115	5.064

Scope 2 (million tCO_2e)	2021	2022	2023	2024	2025
Location-based	3.006	2.605	2.535	2.224	2.099
Market-based	3.006	2.605	2.475	2.155	2.045
Data Coverage	100%	100%	100%	100%	100%

5.3.2 Net Zero Transformation

In response to the Paris Agreement goal of limiting global warming to 1.5° C, Innolux has formulated a net-zero roadmap that identifies the deployment of renewable energy as a core strategy for low-carbon transformation. The Company is dedicated to reducing greenhouse gas emissions and mitigating environmental impacts through measures such as internal energy conservation, fuel and process-related carbon reduction, process optimization, comprehensive installation of localized exhaust scrubbers, adoption of renewable energy, energy efficiency improvements, and expanded resource recycling. Innolux aims to achieve an absolute 25% reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2030, thereby progressing toward a low-carbon operational model.

Net Zero Roadmap



Carbon Reduction Results

To evaluate the effectiveness of its greenhouse gas (GHG) reduction initiatives, Innolux utilizes the Carbon Risk Management Platform for systematic tracking. In 2025, a total of 325 carbon reduction proposals were submitted, with 317 approved for implementation. It is estimated that the approved initiatives will achieve an annual reduction of 33,975.99 tCO_2e from Scope 1 and Scope 2 emissions and 8793.87 tCO_2e from Scope 3, resulting in a total annual reduction of 59,399.96 tCO_2e. By 2025, 424 projects had been implemented, achieving estimated annual reductions of 459,501 tCO_2e for Scope 1 and Scope 2 and 91,038 tCO_2e for Scope 3, totaling 548,816 tCO_2e in combined annual reductions.

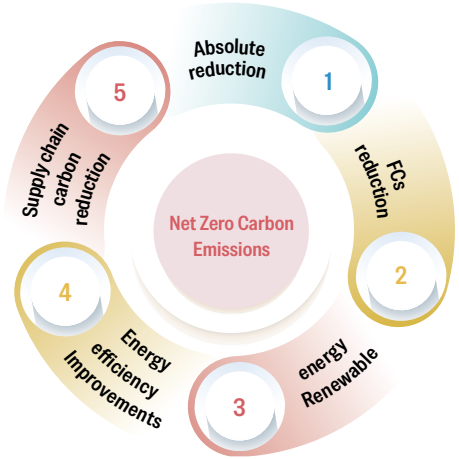
Carbon Reduction Results of Carbon Risk Management Platform

Location	2025 Action Plan				Number of Proposals Implemented
	Number of Proposals Submitted	Annual carbon reduction (tCO_2e)			
		Scope 1	Scope 2	Scope 3	
Zhunan	41	0.00	2889.46	1003.17	51
Tainan	71	884.15	11754.17	2863.33	99
Ningbo	66	0.00	9198.81	2848.69	82
Foshan	139	108.36	9141.05	2078.69	192
Total	317	992.51	32983.48	8793.87	424

Greenhouse Gas Offset Project

To promote greenhouse gas (GHG) reductions, the Ministry of Environment provides GHG offset projects as incentives for corporations to reduce emissions. In response to the government's carbon reduction policy, Innolux's Taiwan Fabs F, B, and T2 successively launched GHG offset projects in 2019. These projects were registered in 2021 and are estimated to reduce carbon emissions by 235,000 tCO_2e annually. In 2025, Innolux continued to promote external third-party verification for GHG offset projects at Fabs F, B, and T2, and obtained the first-year reduction credits for Fab B. Moving forward, the Company will continue to advance its reduction projects and make effective use of the credits obtained, contributing to carbon management and emissions reduction.

Net Zero Carbon Emissions Objectives



SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

- Scope 1
- Scope 2
  - Absolute reduction of 15% in S1 and S2 GHGs by 2026 (compared to 2020)
- Scope 3
  - Absolute reduction of 6.2% in S3 GHGs by 2026 (compared to 2021)

1. Absolute reduction

1. Short-term: absolutereduction of 15% in S1 and S2 GHGs by 2026 (compared to 2020)
2. Medium-term: absolute reduction of 25% in S1 and S2 GHGs by 2030 (compared to 2020)

2. FCs reduction

91% reduction in FC emissions intensity per unit area in the TFT production process by 2025 (compared to 2016)

3. Renewable energy

1. Generation of 60 GWh of power for self-use from renewable energy sources by 2025
2. Renewable energy ratio of 20% by 2030 (RE20)

4. Energy efficiency Improvements

Average energy saving rate of at least 1%, and ideally 1.6%, by 2026(compared to 2021)

5. Supply chain carbon reduction

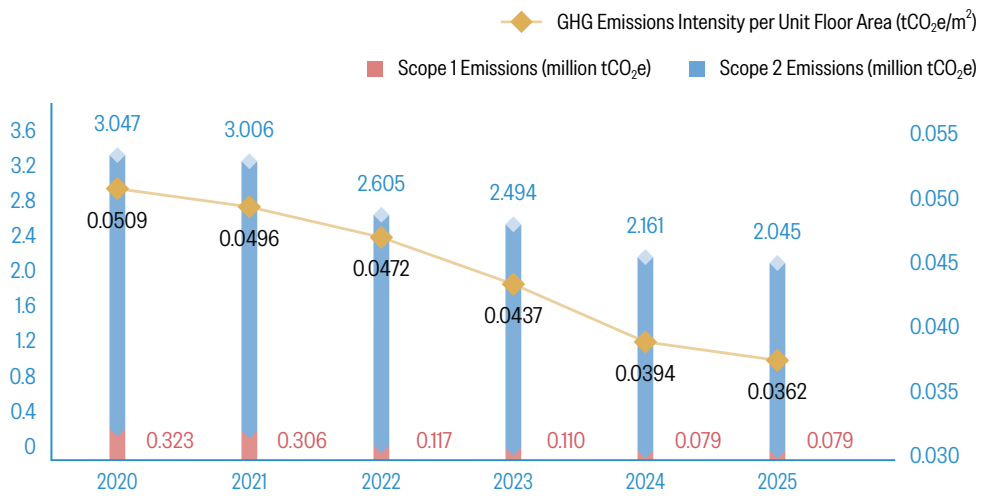
Key suppliers reduce carbon emissions by 20% in 2030 (compared to 2020)

5.3.3 Organizational Carbon Reduction Targets and Results

Absolute Reduction of Scope 1 and Scope 2 GHG Emissions by 25% (Compared to 2020 Baseline)

Using 2020 as the baseline year, Innolux is committed to achieving its target of an absolute reduction of 25% in Scope 1 and Scope 2 GHG emissions by 2030. Through energy-saving and carbon reduction measures such as improved energy efficiency, process optimization, and equipment replacement, the Company reduced its Scope 1 and Scope 2 emissions to 2.124 million tCO_2e in 2025, a reduction of 36.97% . In addition, GHG emissions intensity decreased from 0.0394 tCO2e/m^2 to 0.0362 tCO_2e/m^2, marking a reduction of 8.12% and demonstrating the effectiveness of the Company's carbon reduction efforts.

Scope 1 and Scope 2 GHG emissions



Data for Taiwan and Mainland China sites

- Scope 1: Direct GHG emissions

Scope of inventory: Qualitative and quantitative inventory of fluorinated compounds (FCs) with potential greenhouse effect, including sulfur hexafluoride (SF6), nitrogen trifluoride (NF3), carbon tetrafluoride (CF4), utility system fuel, pollution control equipment for volatile organic compounds (VOCs), and other GHG emissions sources.

- Scope 2: Indirect GHG emissions from energy

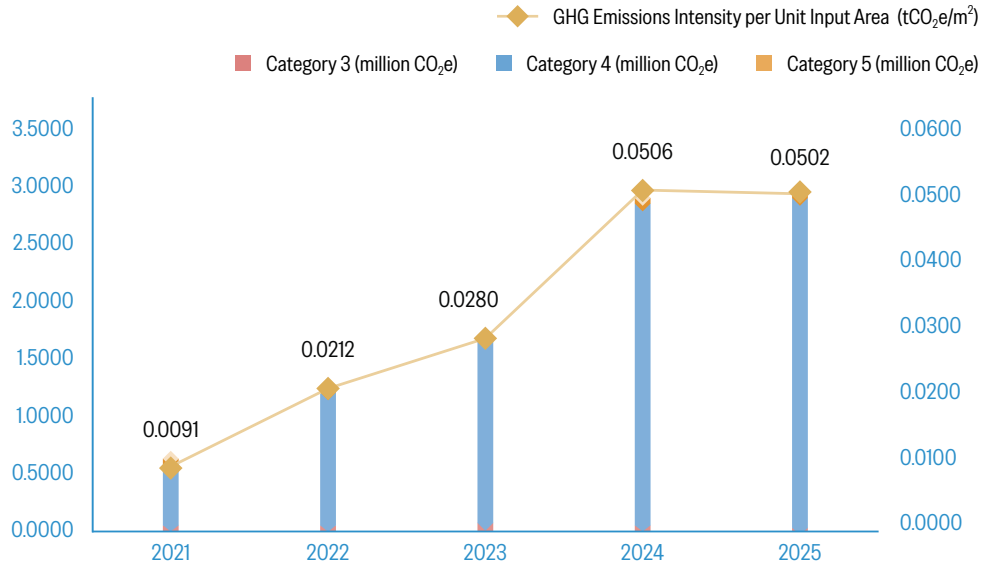
Scope of inventory: Qualitative and quantitative inventory of purchased electricity and heat

- Unit area used = unit area of substrate used = array and CF used
- GHG emissions intensity = Scope 1 and Scope 2 GHG emissions (tCO_2e) per unit area of substrate used (m^2)
- The Global Warming Potentials (GWP) are taken from the IPCC Fifth Assessment Report (AR5) of 2007.

Absolute Reduction of 6.2% in Scope 3 GHG Emissions by 2030 (Compared to 2021, Scope 3 emissions have been tracked since 2021)

Innolux has committed to reducing Scope 3 GHG emissions by 6.2% from 2021 levels by 2026, in line with its SBTi targets. However, in 2025, Scope 3 emission intensity reached 0.0502 tCO_2e/m^2—an increase of 449% compared to 0.0091 tCO_2e/m^2 in 2021. This sharp rise is primarily due to the expanded Scope 3 boundary, which now includes upstream transportation of raw materials, downstream transportation of products, and purchased goods and services—categories not previously included in the 2021 baseline.

Scope 3 GHG Emissions



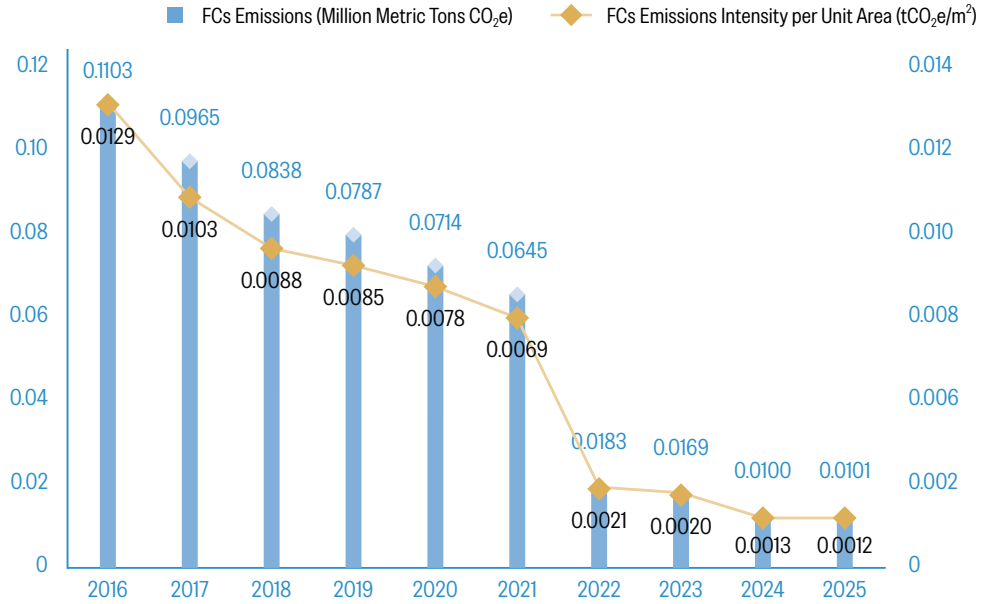
- Scope of 2021 inventory: Emissions from business travel, employee commutes, fuel energy, investments, and waste produced in the course of business activities.
- Scope of 2022 inventory: Upstream/downstream transport and distribution, business travel, employee commutes, procurement of products and services, fuel energy, investments, and waste produced in the course of business activities.
- Scope of 2024 inventory: Compared to 2021, three additional categories were included—upstream transportation of raw materials, downstream transportation of products, and purchased goods and services (raw materials).

91% Reduction in FC Emission Intensity per Unit Area

In response to the implementation of action plans to install additional Local Scrubbers and optimize their efficiency, Innolux reviewed its carbon reduction target again in 2025 and raised the target for fluorinated compound (FC) emission intensity per unit area in its TFT-LCD process to a 91% reduction compared to 2016 levels.

In 2025, Innolux's Local Scrubbers reduced FC emission intensity per unit area from manufacturing processes to 0.0012 tCO2e/m², representing a cumulative reduction of 91%. To further reduce FC emission intensity per unit area, Innolux will continue improving the treatment efficiency of Local Scrubbers and minimize fluorinated greenhouse gas emissions derived from process gases.

FC emissions



5.4 / Energy Management

GRI 302-1、302-3、302-4

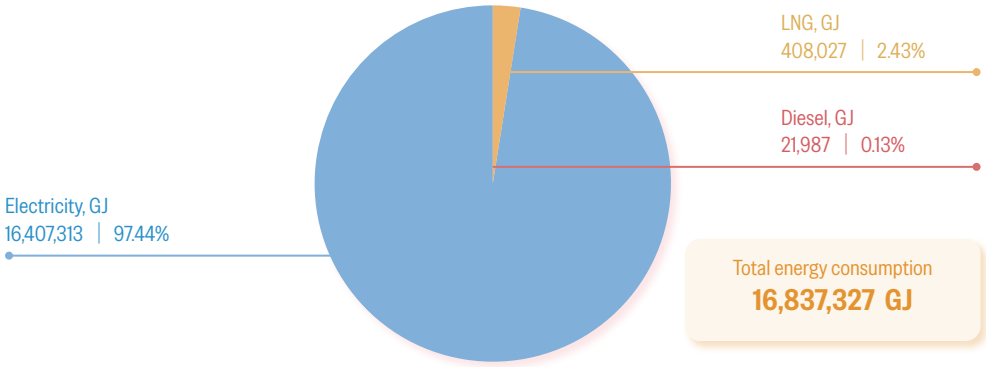
As indicated in our greenhouse gas emissions inventories over the years, the majority of Innolux's emissions have originated from electricity consumption. Achieving net-zero emissions requires enhanced energy efficiency and an accelerated transition to cleaner energy sources. Since 2019, Innolux has adopted the ISO 50001: 2018 Energy Management System, enabling us to systematically monitor energy usage, set energy savings targets, and implement energy efficiency measures. We support our commitment with concrete actions to reduce greenhouse gas emissions and expedite the transition toward low-carbon operations.

Innolux is firmly dedicated to the steady implementation of its net-zero vision. We are committed to pursuing established reduction targets, complying with regulatory energy-saving mandates, and continuously enhancing our energy management systems.

5.4.1 Energy Consumption and Resource Use

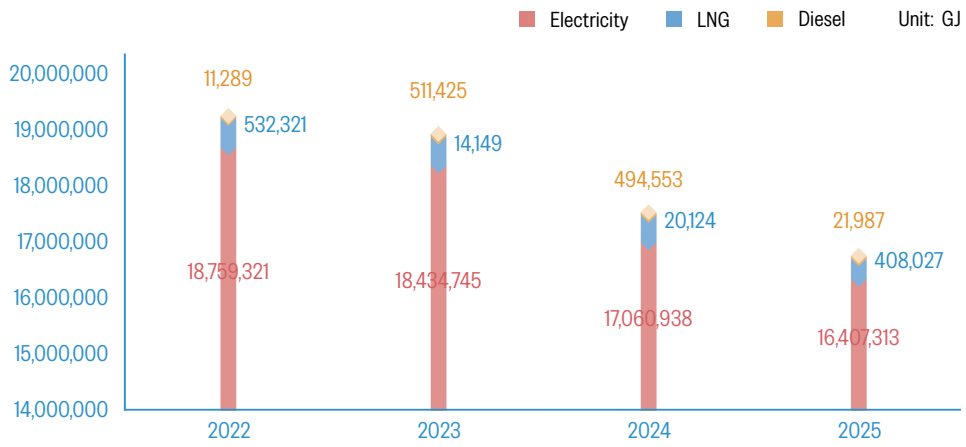
In 2025, Innolux's total energy consumption amounted to 16,837,327 GJ, of which the majority was electricity (97.44%, primarily for production processes), followed by natural gas (2.43%, for production equipment), and diesel (0.13%, for facility operations). Compared to the previous year, total energy consumption decreased by 4.2%.

Current Energy and Resource Consumption



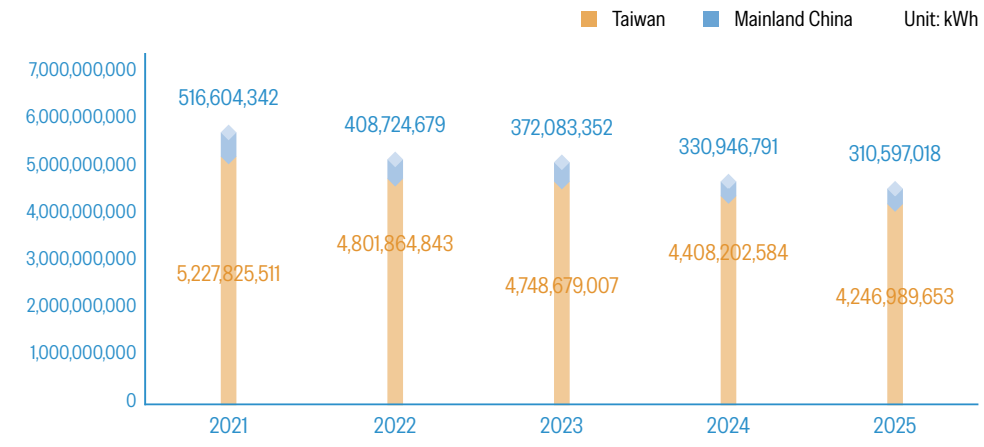
Note: Electricity consumption includes purchased electricity, purchased green energy, and self-generated green energy.

Energy and Resource Consumption



	2022	2023	2024	2025
Total energy consumption	19,302,932	18,960,319	17,575,615	16,837,327

Electricity Use



	2021	2022	2023	2024	2025
Company-wide	5,744,429,853	5,210,589,522	5,120,762,359	4,739,149,375	4,557,586,671

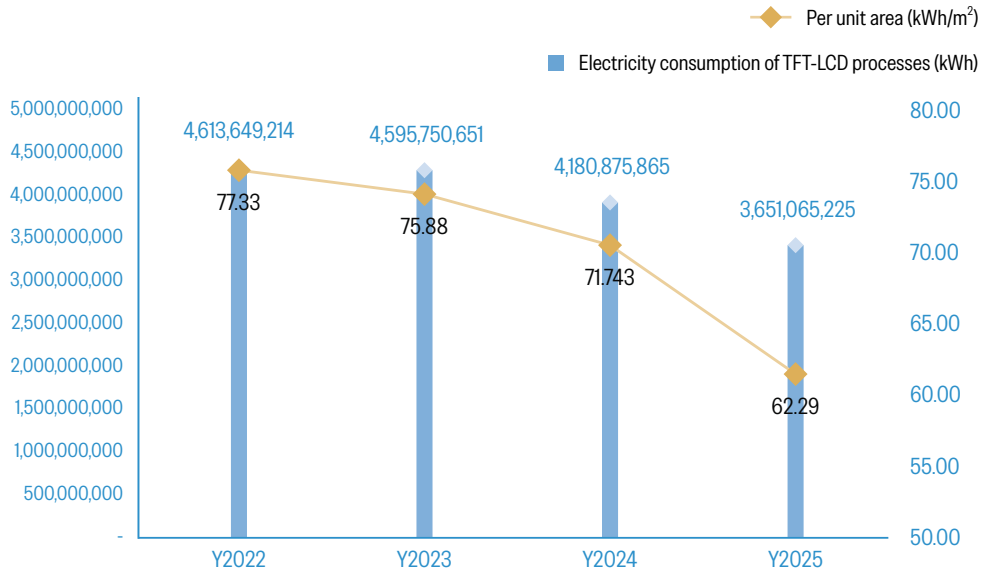
Electricity Use

In 2025, Innolux's total electricity consumption reached 4,557,586,671 kWh, with Taiwan sites accounting for 4,246,989,653 kWh (93.2%) and Mainland China sites accounting for 310,597,018 kWh (6.8%). Compared to the previous year, total electricity consumption across the Greater China region decreased by 3.8%.

In 2024, Innolux reassessed its energy goals and revised the annual electricity savings target for the Greater China region to an average reduction of ≥1.0% compared to 2021, with a challenge target of ≥1.6%. Through the implementation of energy-saving initiatives, electricity consumption in 2025 decreased by 20.7% compared to 2021, exceeding the established target.

For energy intensity, the Taiwan sites reduced their TFT-LCD electricity use per unit area from 62.29 kWh/m² in 2023 to 71.74 kWh/m² in 2024, a 13.2% decrease. Electricity consumption per unit of product at the Mainland China sites also met the targets set for 2025.

Electricity Use Per Unit Area of TFT-LCD Plant



Electricity Consumption Per Unit Product at Mainland China Sites [Note 1]

Electricity Use Intensity (EUI)	2025 Targets	2025 Outcomes[Note 2]		2026 Targets
Ningbo	1.512	1.438	V	1.424
Foshan	4.034	3.642	V	3.606

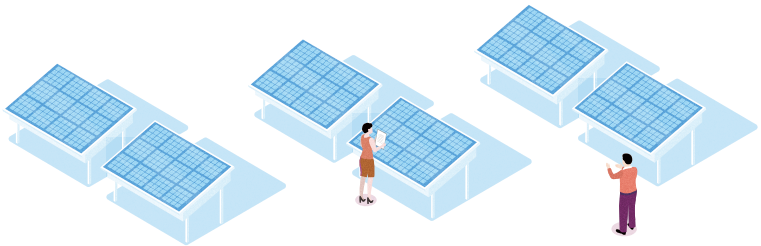
Note1: Electricity consumption per unit product is the amount of energy used per unit output quantity (kWh/pc)

Note2: V indicates that the target has been achieved.

In addition to pursuing internal efficiency goals, Innolux actively complies with the energy-saving requirements established by local regulatory authorities. In addition to challenging its own internal targets, Innolux makes every effort to meet the energy-saving targets established by local regulatory authorities. In 2025, the Ministry of Economic Affairs announced the Regulations Governing the Establishment of Energy Conservation Targets and Implementation Plans by Energy Users, requiring companies with a contracted electricity capacity of more than 10,000 kW to raise their average annual energy savings rate target to 1.5%. In 2025, Innolux achieved an actual energy savings rate of 1.57%.

5.4.2 Energy Transition

To support global decarbonization efforts and meet customer expectations for low-carbon operations, Innolux is expanding its renewable energy use through a multi-pronged strategy, including the deployment of solar power generation systems, biogas power generation, and the procurement of green electricity. The Company is committed to achieving a 20% renewable energy usage rate (RE20) across its Greater China operations by 2030, advancing its low-carbon and energy transition strategy.



Major Energy-Saving Measures

Topic	Measure	Site(s)	Actions taken	Projected outcomes
Replacement of outdated equipment	Replacement of blower in recycling system	Zhunan	Replaced the Roots blower with a centrifugal blower to achieve energy savings.	436,248 kWh/year 254.4 tCO_2e/year
	Replacement of MBR blower for discharged water	Tainan	Replaced the Roots blower with a high-efficiency screw blower to improve the efficiency of parallel system operation and reduce electricity consumption.	143,528 kWh/year 71 tCO_2e/year
	UPS replacement for energy savings	Foshan	Replaced the existing UPS with an AVC system with overall equipment efficiency of 99.2%, reducing equipment losses while lowering air-conditioning power consumption.	258,000 kWh/year 171 tCO_2e/year
Energy-efficient modifications	Application of high-efficiency axial fans	Zhunan	Replaced existing fans with high-efficiency models and introduced Danfoss high-efficiency axial fan units to reduce electricity consumption.	107,222 kWh/ year 45,462 tCO_2e/year
	PVD energy-saving improvement project	Zhunan	Installed variable frequency drives for operation.	188,866 kWh/year 80.1 tCO_2e/year
	Breakthrough in high- and low-temperature chilled water setpoints	Tainan	Raised the high-temperature chilled water setpoint and lowered the low-temperature chilled water setpoint accordingly to reduce overall system power consumption.	1,177,778 kWh/year 583 tCO_2e/year
	Expansion of high-efficiency variable-frequency vacuum machines	Foshan	Replaced the original fixed-frequency 37 kW vacuum machines with high-efficiency 22 kW variable-frequency vacuum machines, and adjusted the operating mode. Under the same vacuum strength and pumping capacity, this achieved higher energy efficiency.	93,150 kWh/year 63 tCO_2e/year

Renewable Energy System Installation

Innolux actively increases its renewable energy consumption rate by installing solar power systems and biogas power generation equipment. In 2025, the Company's total installed renewable energy capacity reached 81,241 kWp, generating 318,176 GJ of electricity.

Of this total, solar power accounted for 99.3% of renewable energy generation, with total installed capacity of 80,856 kWp and annual power generation of 315,806 GJ. Biogas power accounted for 0.7%, with total installed capacity of 385 kWp and annual power generation of 2,370 GJ.

Of the total renewable energy generated, 274,404 GJ was self-consumed by the Company, accounting for 86.2% of total generated power, while 43,772 GJ was fed into the power grid, accounting for 13.8%.

Moving forward, Innolux will continue expanding its renewable energy development. At the Tainan site, after restrictions on the green coverage ratio in the science park are relaxed, the Company plans to install a 1.9 MW solar power system using pile foundations, with grid connection expected in March 2026.

Solar Power

Site		Capacity (kWp)	Output (kWh)[Note 1]	Output (GJ)	Percentage of self-generated power
Taiwan	Zhunan	2,687	3,324,220	11,967.19	100%
	Tainan	45,839.22	53,551,510	192,785.44	85.3%
Mainland China	Ningbo	12,200	10,689,117	38,480.82	100%
	Foshan	20,130	20,158,941	72,572.19	82%
Total		85,455	87,723,788	315,805.64	86.9%

Note1: Actual meter reading

Bio-gas Power

Site	Capacity (kWp)	Output (kWh)[Note 1]	Output (GJ)
Tainan FAB 2	30	31,552	114
Tainan FAB 7	160	322,112	1,160
Tainan FAB 8	195	304,732	1,097
Total	385	658,396	2,370

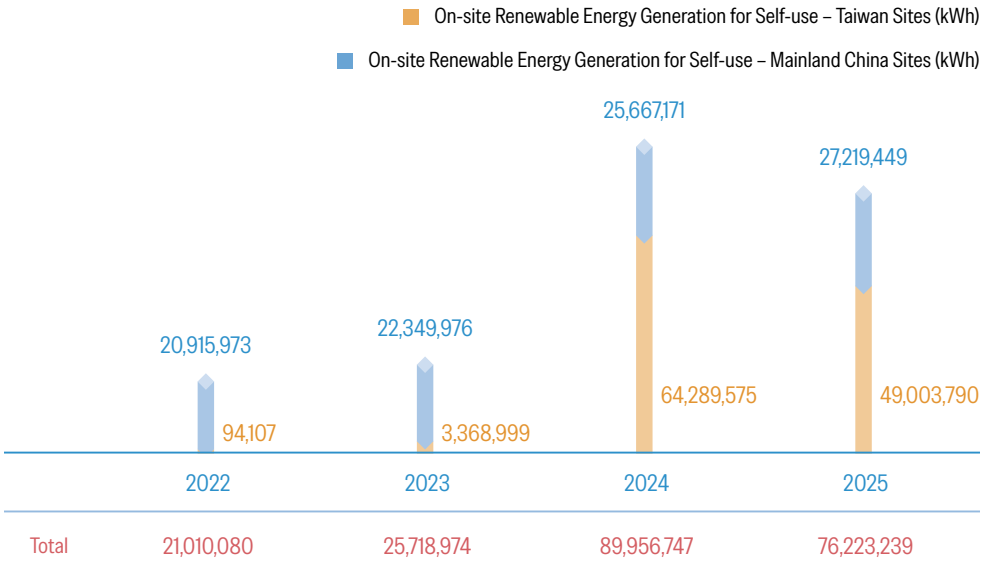
Note1: Actual meter reading

Utilization of Renewable Energy

In 2025, Innolux generated 76,223,239 kWh of renewable energy onsite, including 49,003,790 kWh from Taiwan sites and 27,219,449 kWh from Mainland China sites. Compared with 2024, the total amount of self-generated and self-consumed renewable energy at sites in the Greater China region decreased slightly. Nevertheless, Innolux still achieved its previously set 2025 target of 60 million kWh of self-generated and self-consumed renewable energy.

To meet our green goals of RE20 across Greater China and RE100 at Mainland China sites by 2030, Innolux continued expanding its renewable generation capacity and purchased 144,301,000 kWh of green electricity to further enhance its renewable energy mix. In 2025, total renewable energy consumption reached 220,524,239 kWh—4.84% of total energy use—with Taiwan sites consuming 49,003,790 kWh and Mainland China sites 171,520,449 kWh.

Amount of Self-Generated Power from Renewable Energy



Energy consumption

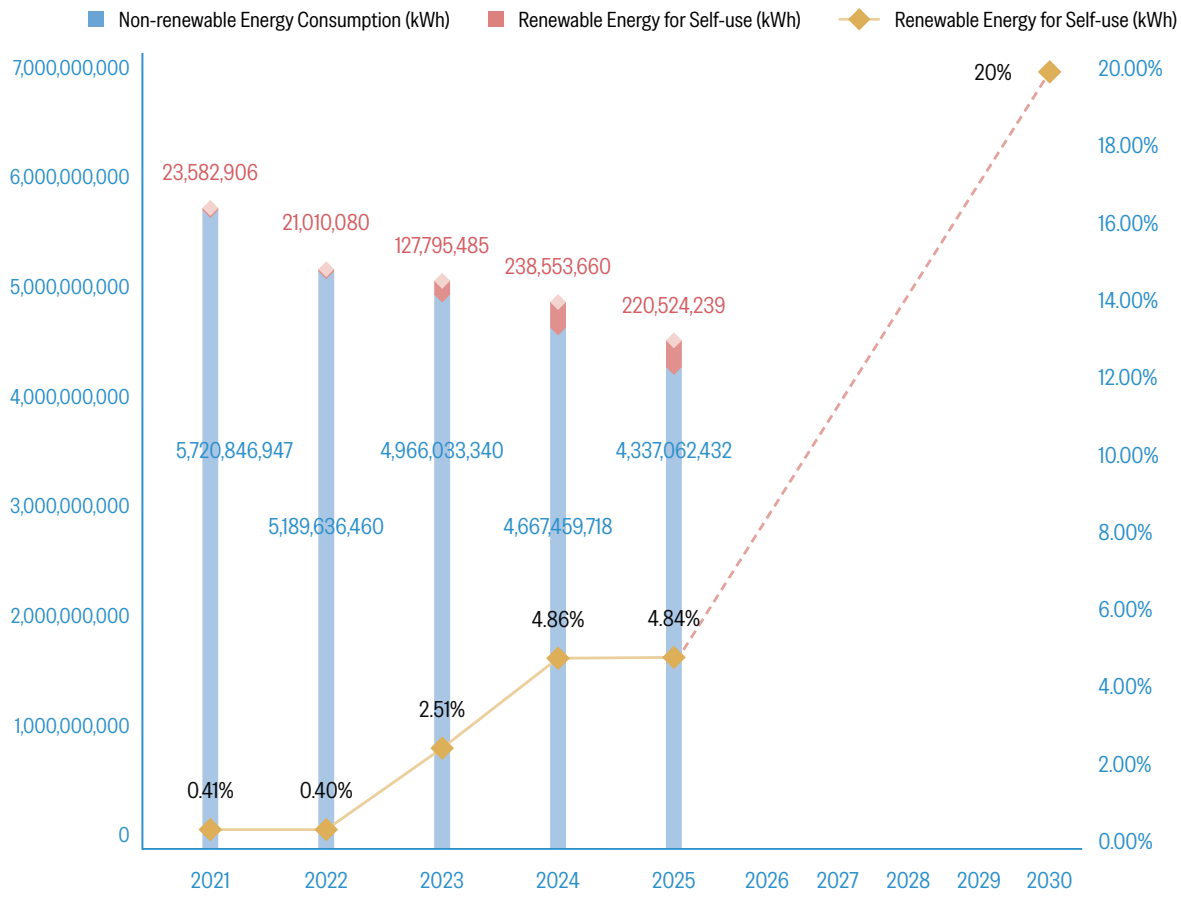
Type of Energy	Location	Unit	2025 Volume (kWh)	2025 Percentage
Purchased power	Taiwan	kWh	4,197,985,863	92.73%
		GJ	15,112,749	
	Mainland China	kWh	139,076,569	
		GJ	500,676	
	Total	kWh	4,337,062,432	
		GJ	15,613,425	
Renewable energy-Self-generated solar power	Taiwan	kWh	49,003,790	1.63%
		GJ	176,414	
	Mainland China	kWh	27,219,449	
		GJ	97,990	
	Total	kWh	76,223,239	
		GJ	274,404	
Renewable energy-Purchased green power	Taiwan	kWh	0	3.09%
		GJ	0	
	Mainland China	kWh	144,301,000	
		GJ	519,484	
	Total	kWh	144,301,000	
		GJ	519,484	

Type of Energy	Location	Unit	2025 Volume (kWh)	2025 Percentage
Diesel	Taiwan	kWh	5,975,031	0.13%
		GJ	21,510	
	Mainland China	kWh	132,579	
		GJ	477	
	Total	kWh	6,107,609	
		GJ	21,987	
Natural gas	Taiwan	kWh	107,480,507	2.42%
		GJ	386,930	
	Mainland China	kWh	5,860,356	
		GJ	21,097	
	Total	kWh	113,340,863	
		GJ	408,027	
Total consumption	Taiwan	kWh	4,360,445,190	100.00%
		GJ	15,697,603	
	Mainland China	kWh	316,589,953	
		GJ	1,139,724	
	Total	kWh	4,677,035,143	
		GJ	16,837,327	

Renewable Energy Consumption

Type of Energy	Location	Volume (kWh)
Non-renewable energy	Taiwan	4,197,985,863
	Mainland China	139,076,569
	Total	4,337,062,432
Renewable energy	Taiwan	49,003,790
	Mainland China	171,520,449
	Total	220,524,239
Percentage of renewable energy use	Taiwan	1.15%
	Mainland China	55.22%
	Total	4.84%

Renewable Energy Consumption



5.5 / Water Management

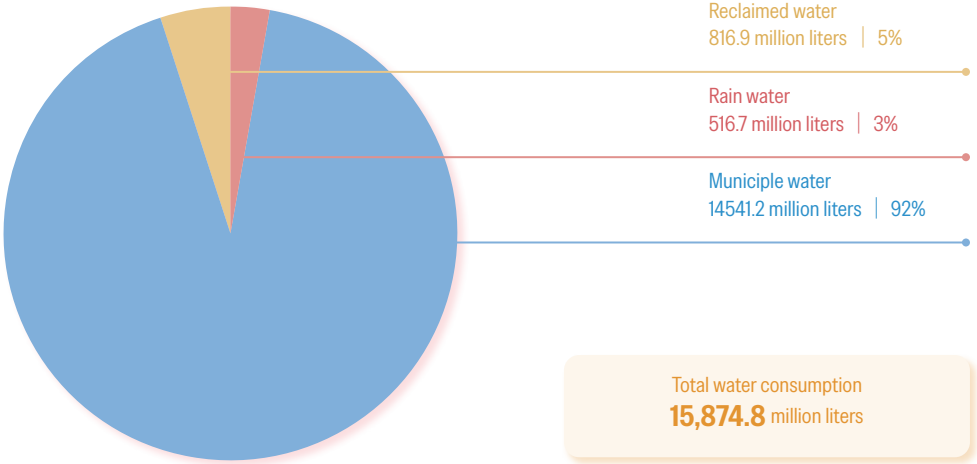
GRI 303-2、303-3、303-4、303-5

In recent years, extreme climate events have heavily impacted the world's water resources. With rising sea levels and frequent and severe droughts and floods, the international community is turning its attention to the issue of water resources. At the 28th Conference of the Parties (COP28) to the United Nations Framework Convention on Climate Change (UNFCCC), water resources once again became a central topic of discussion. In response to global climate action and the recent water crisis in Taiwan, Innolux has continued to strengthen its water resource management by adopting systematic strategies and water-saving initiatives to enhance water use efficiency and reduce operational risks. Looking ahead, the Company will strive to optimize water use, promote recycling and reuse, and enhance water resilience to mitigate the potential operational impacts of water resource instability.

5.5.1 Water Consumption

In 2025, Innolux's total water withdrawal was 15,874.8 million liters, the majority of which came from municipal water, accounting for 92% of the total. This was followed by reclaimed water, accounting for 4%, and rainwater, accounting for 3%. Compared with the previous year, overall water consumption decreased by 3. 23%..

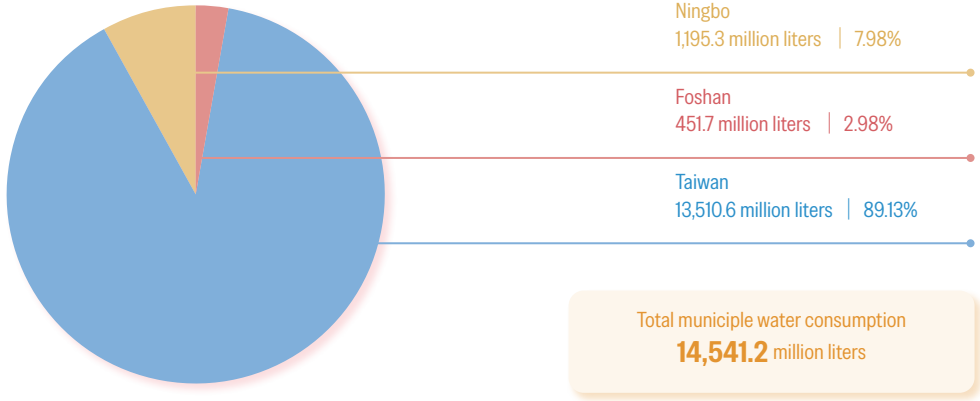
Water Consumption Status



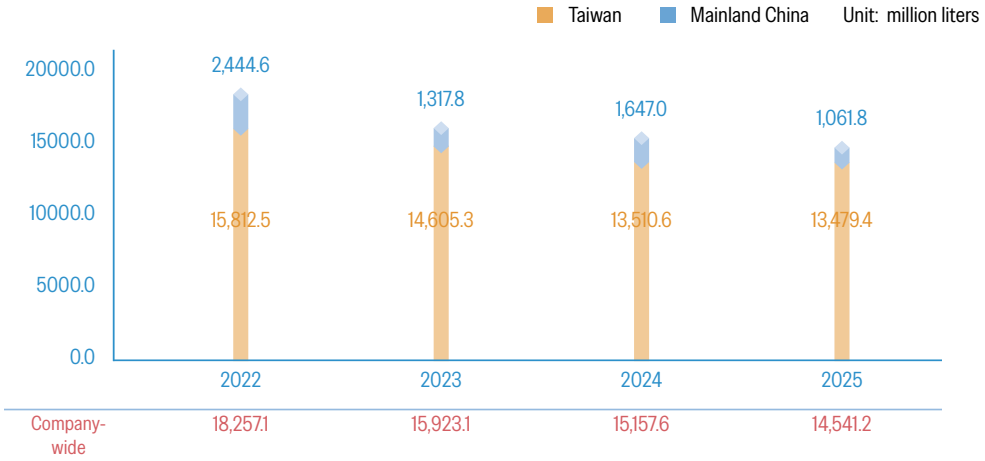
Municipal Water Use Efficiency

Innolux's water resources primarily come from municipal sources. In 2025, the total municipal water consumption was 14,541.2 million liters, with Taiwan sites accounting for 92.7% (13,479.4 million liters) and China sites accounting for 7.3% (1,061.8 million liters). Compared to the previous year, overall water consumption at our Taiwan and Mainland China sites dropped by 4.07%.

Municipal Water Consumption at Innolux Sites



Municipal Water Consumption in Recent Years



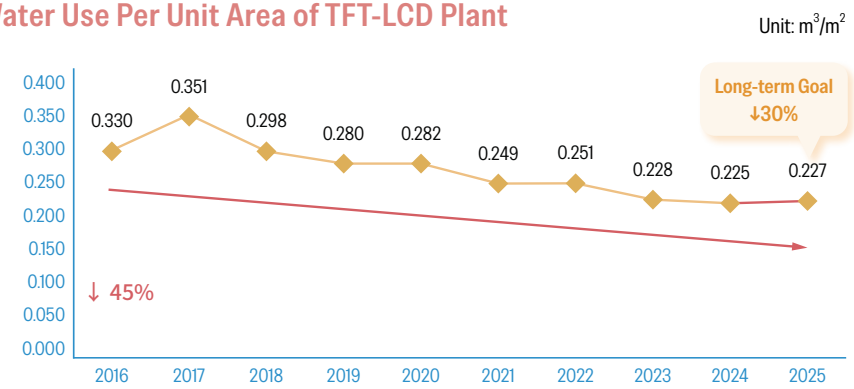
5.5.2 Water Recycling

Taiwan faces recurring water shortages during winter and early spring, posing challenges for water-intensive manufacturing processes. As a result, water recycling and reuse have become essential. Innolux is committed to conserving water resources by continuously improving water use efficiency, reducing wastewater discharge, and enhancing water-saving measures.

Water Use Intensity

Innolux upholds the principle of sustainable water resource utilization. In 2025, the Water Use Intensity (water used per unit area of TFT-LCD plant) at the Taiwan sites was reduced to 0.23 m^3/m^2; this remained stable compared to 2024, representing a cumulative reduction of 31% compared to 2016. This achievement not only meets but exceeds the 2025 target of a 30% reduction, demonstrating outstanding performance in water efficiency management.

Water Use Per Unit Area of TFT-LCD Plant



Water Consumption Per Unit Product at Mainland China Sites[Note 1]

Water Use Intensity	2025 targets	2025 outcomes[Note 2]		2026 targets
Ningbo	0.00438	0.00435	V	0.00431
Foshan	0.01164	0.01132	V	0.01121

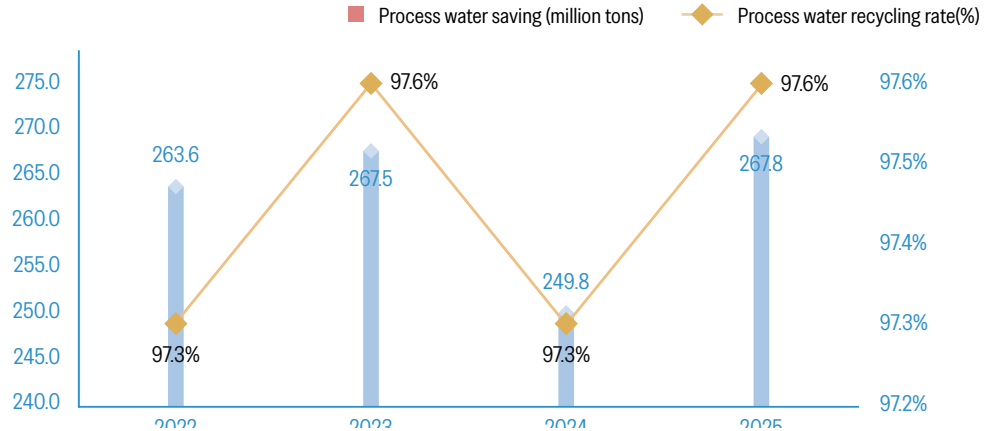
Note1: Water consumption per unit product = process water consumption / number of output units (m^3/pc).

Note2: V – Target achieved

Process Water Recycling

As part of its 2030 sustainability goals established in 2023, Innolux designated process water recycling rates at its Taiwan sites as a key performance indicator. The Company remains committed to maintaining a recycling rate of at least 97% by 2030, while taking into account the renovations required for the new processes. In 2025, our Taiwan sites recycled a total of 267.8 million cubic meters of process water, for a recycling rate of 97.6%. This not only reached our long-term targets but also underscores the Company's performance in efficient water resource management and recycling.

Process Water Recycling Rates



Water Conservation Measures

In 2025, an investment of NT$40 million was put into 6 water conservation projects that helped conserve 444,000 tons of water.

Management Objectives	Measures	Site	Estimated Outcomes
Water recycling	D-Cu rinse water recovery	Zhunan	Annual increase in recycled volume of approximately 36,500 m^3
	PLP-P2-1 MBR system installation project	Tainan	Annual increase in recycled volume of approximately 189,800 m^3
	MBR RO antibacterial water-saving project	Tainan	Annual increase in recycled volume of approximately 54,750 m^3
	Installation of mobile water purification equipment for drought response	Tainan	Annual increase in recycled volume of approximately 135,734 m^3
	HB plant pure water system ROR installation project	Foshan	Annual increase in recycled volume of approximately 14,000 m^3
	HB plant rainwater recovery improvement project	Foshan	Annual increase in recycled volume of approximately 13,117 m^3

5.5.3 Water Pollution Control

Innolux's Environmental Protection Committee, Plant Technicians' Committee, Production Process Committee, and Plant Operations Committee work jointly to analyze the wastewater treatment situation at each production site based on the discharge characteristics. The Company also regularly commissions third-party water quality testing and monitoring to ensure that effluent complies with local discharge or sewer connection standards. In 2025, there were no fines due to violations of discharge limits.

Water Pollution Control Projects

Site	Project	Description	Outcomes
Zhunan	New molybdenum resin tower installation project	Added one resin tower to improve system operating stability and prevent abnormal molybdenum concentrations in discharged water.	Reduced molybdenum discharge concentration to below 0.6 ppm, meeting effluent control standards.
Tainan	MBR system installation project	Installed a recovery treatment system to improve water resource utilization efficiency and emissions reduction capacity.	Reduced the discharge rate from 81% to 54%, with reclaimed water exceeding 520 CMD, thereby achieving annual cost savings of more than NT$3.6 million and meeting the regulatory standard for discharge rates of <70%.
	Risk improvement project for phosphoric acid wastewater discharge	Established a phosphorus removal system to strengthen the removal efficiency of specific pollutants.	Reduced total phosphorus (TP) discharge concentration from 490 mg/L to 15 mg/L, achieving the Ministry of Environment's announced effluent TP control schedule ahead of time.

Water Situation Analysis of Innolux Sites

Taiwan Sites



Water Source
Yongheshan Reservoir, Liyutan Reservoir

Discharge Point to Sewer System
Zhunan Science Park Sewage Treatment Plant, Hsinchu Science Park Bureau

Discharge/Sewage Standards
Wastewater quality standards of Zhunan Science Park Sewage Treatment Plant, Hsinchu Science Park Bureau

Receiving Water
Xingang River

Wastewater Discharge Volume (million liters/year)
2,632

Water Source
Tainan Site: Nanhua Reservoir and Zengwen Reservoir
Kaohsiung Site: Agongdian Reservoir, Nanhua Reservoir, and Gaoping River Dam

Discharge Point to Sewer System
1. Southern Taiwan Science Park Bureau (Tainan Science Park Sewage System)
2. Kaohsiung Science Park's Dedicated Sewage System
3. Southern Taiwan Science Park Bureau; Tree Valley Park Service Center, Bureau of Economic Development, Tainan City

Discharge/Sewage Standards
Wastewater quality and fee standards for Southern Taiwan Science Park and Kaohsiung Science Park sewage systems. Sewage regulations for discharges into the Tree Valley Park LCD-TV Industrial Support Complex system.

Receiving Water
Yanshuei River, Agongdian River

Wastewater Discharge Volume (million liters/year)
6,658

Mainland China Sites



Water Source
Ninghai Baixi Reservoir

Discharge Point to Sewer System
Yandong Sewage Treatment Plant, Beilun District, Ningbo City

Discharge/Sewage Standards
Industrial wastewater management standard of Yandong Sewage Treatment Plant

Receiving Water
East China Sea

Wastewater Discharge Volume (million liters/year)
224

Water Source
Tanzhou Waterway

Discharge Point to Sewer System
Xibei Sewage Treatment Plant, Xishan Township

Discharge/Sewage Standards
Water quality standards of the Shishan Northwest Sewage Treatment Plant. For indicators that have yet to be specified in the standards, we follow the Water Pollutant Discharge Limits DB44/26-2001) Period 2 Level 3 standard of Guangdong Province.

Receiving Water
Xinan River

Wastewater Discharge Volume (million liters/year)
77

Wastewater Treatment

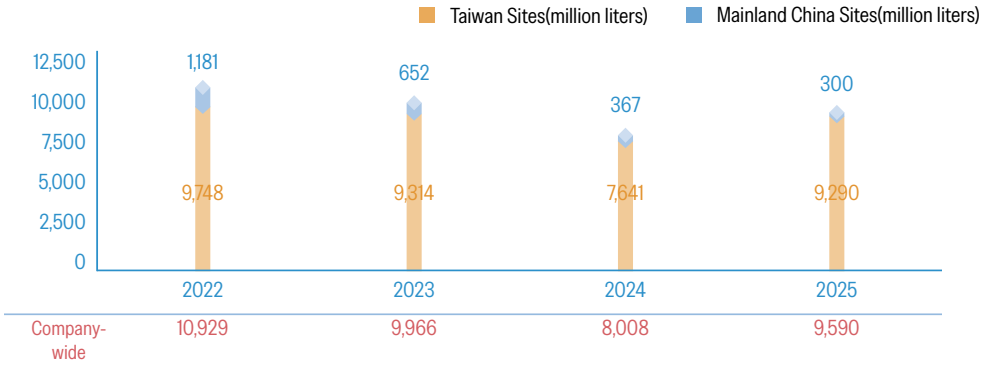
In 2025, Innolux discharged a total of 9,590 million liters of wastewater, with 9,290 million liters (96.9%) from Taiwan sites and 300 million liters (3.1%) from Mainland China sites. This represents a 19.7% decrease in total wastewater discharge across the Greater China region compared to 2024, highlighting ongoing improvements in wastewater management.

Water Use Volume

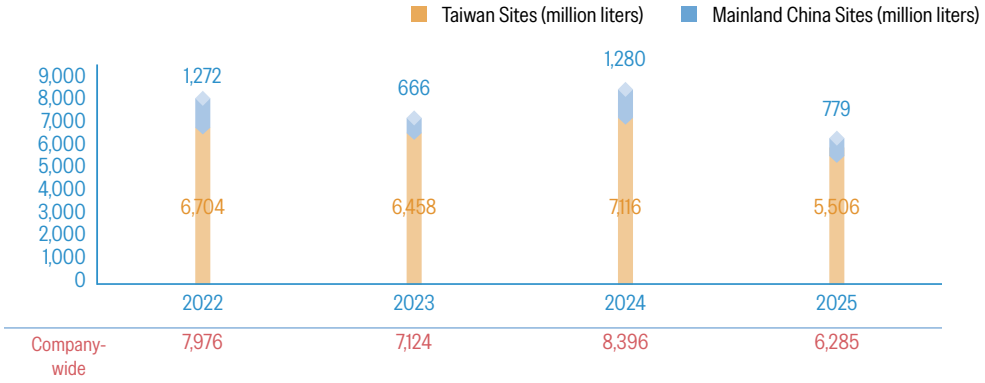
Category (unit: million liters)		Taiwan sites	Mainland China sites	Total
Water withdrawal volume (by source Note1)	Surface water (rainwater)	499	18	517
	Third-party water (municipal or reclaimed water)	14,296	1,062	15,358
	Total withdrawal volume (a)	14,795	1,080	15,875
Water discharge volume (by destination)	Surface water	0	0	0
	Groundwater	0	0	0
	Seawater	0	0	0
	Third-party water	9,290	300	9,590
	Third-party water for use by other organizations	0	0	0
	Total discharge volume (b) = surface water + groundwater + seawater + third-party water (aggregated)	9,290	300	9,590
Water discharge volume (by type of water)	Freshwater (≤1,000 mg/L Total Dissolved Solids)	9,290	300	9,590
	Other water (>1,000 mg/L Total Dissolved Solids)	0	0	0
Water consumption volume	Total withdrawal volume (a) – total discharge volume (b)	5,506	779	6,285

Note1: No groundwater, seawater, or produced water is used.

Water Discharge Volume



Water Consumption Volume



Water Consumption in Recent Years

	2022	2023	2024	2025
Water withdrawal volume(million liters)	18,905	17,090	16,404	15,875
Water discharge volume(million liters)	10,929	9,966	8,008	9,590
Water consumption volume(million liters)	7,976	7,124	8,396	6,285

5.6 / Pollution Management

GRI 306-1、306-2、306-3、306-4、306-5

Innolux installs pollution control and treatment facilities tailored to the needs of its manufacturing processes, enabling real-time monitoring of pollutant emissions to ensure compliance with local regulations and fulfillment of its corporate social responsibility. The Company has also established short- and medium-term goals for landfill waste reduction and hazardous industrial waste recycling in keeping with the UN Sustainable Development Goals (SDGs) to enhance corporate competitiveness.

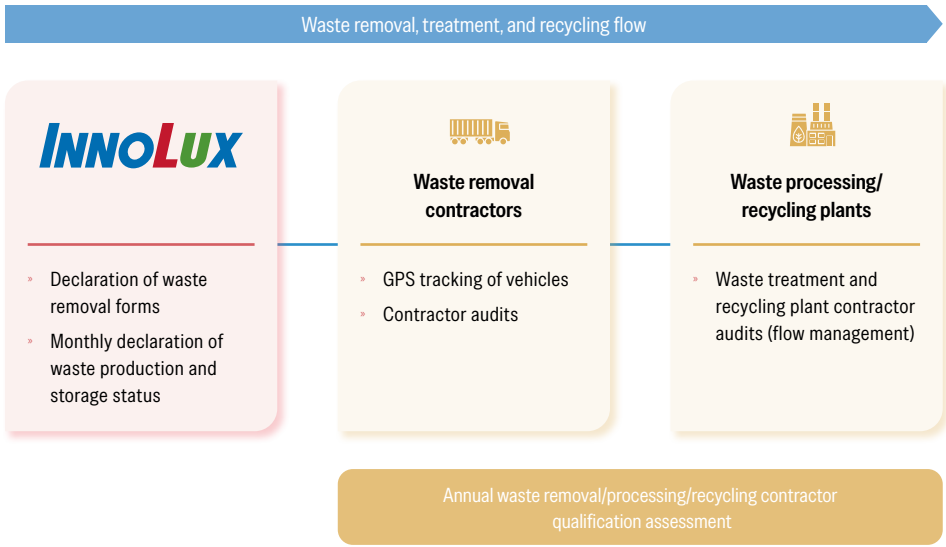
5.6.1 Waste Control

Innolux strictly adheres to local regulations to ensure compliant and transparent waste management. The Company leverages waste declaration forms and GPS tracking of transport vehicles to monitor waste flow and submits monthly reports on waste removal and output, fulfilling its obligation to oversee entrusted waste disposal.

To ensure regulatory compliance in waste treatment, Innolux conducts annual on-site audits of existing waste disposal, treatment, and recycling contractors. These audits cover site access control, storage management, the operation of treatment equipment, pollution prevention, safety protocols, and downstream handling of recycled products, ensuring that our contractors comply with regulations and properly manage waste disposal. The audit results are incorporated into future collaboration evaluations to maintain the quality of supply chain management.

When selecting new contractors, Innolux evaluates candidates based on financial stability, license qualifications, and past violation records to ensure they possess the necessary capabilities to perform safe and compliant waste treatment.

Waste Control Flowchart



Given the heavy use of chemicals in the optoelectronics manufacturing processes, Innolux continues to promote chemical recycling to reduce the generation of hazardous waste and effectively mitigate environmental impacts. In 2025, the total volume of waste generated was 65,561 metric tons—a 5.0% decrease compared to the previous year. General waste amounted to 50,519 metric tons, accounting for 77.1% of the total, while hazardous waste was 15,041 metric tons, making up 22.9%. This reflects our steady progress in waste reduction and resource recovery.

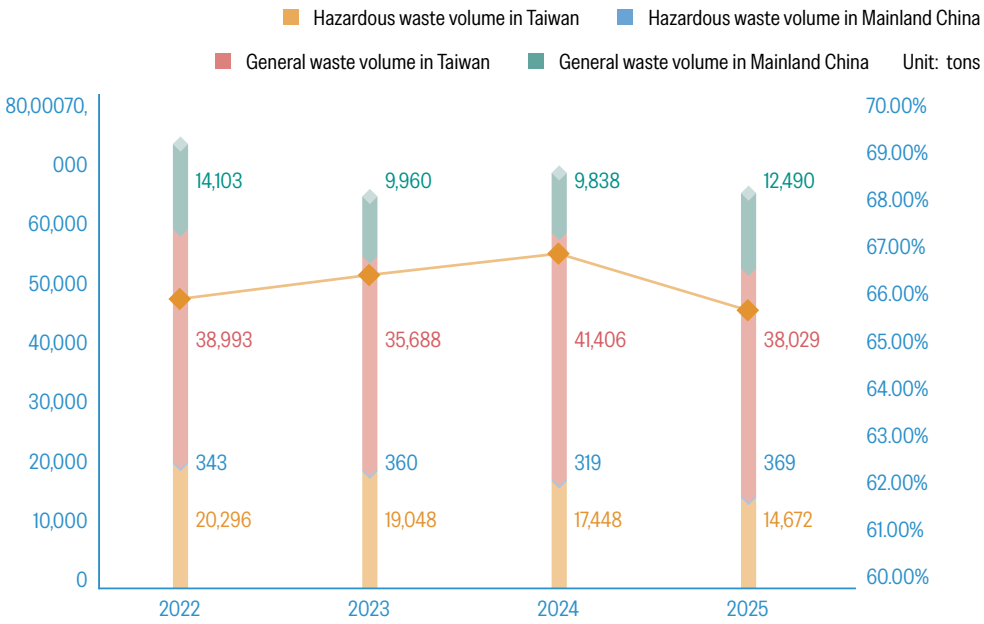
2025 Waste Treatment Volume [Note 1] (Unit: tons)

Category	Treatment method	Type of waste		2025 Taiwan sites	2025 Mainland China sites	2025 Innolux
Hazardous waste	Chemical treatment	Copper process waste, waste acid cleaning solution		83.4	0	83.4
	Physical treatment	Waste light tubes/bulbs containing mercury, waste optoelectronic components, metal circuit board waste, etc.		1,215.5	0	1,215.5
	Cleaning/ washing treatment	Organic solvent waste		578.7	0	578.7
	Landfill	Sludge		0	5.9	5.9
	Incineration	Waste corrosive liquid, waste oil, waste ink	Including energy recovery	1,035.3	269.0	1,304.2
			Excluding energy recovery	0	25.9	25.9
	Thermal treatment	Copper process waste		462.8	0	462.8
	Solidification	Copper process waste		7.8	0	7.8
	Reuse	Copper process waste, waste acid cleaning solution, waste organic solvent		11,289.0	68.1	11,357.1
	Waste export	Batteries containing cadmium, waste glass (including LCD panels)		0	0	0
Total treated hazardous waste (tons)				14,672	369	15,041
Recycling rate of hazardous waste (%)				76.9%	18.5%	75.5%
General waste	Chemical treatment	Waste ion-exchange resin		21.5	0	21.5
	Physical treatment	Plastic waste, waste glass, waste lubricating oil, hardware waste, dust, inorganic sludge		8,954.9	0	8954.9
	Landfill	Waste ion-exchange resin, plastic waste, organic/ inorganic sludge, waste glass, dust		882.0	0	882.0
	Incineration	Plastic waste, textile waste, trash, organic liquid waste, wood waste, waste oil, wastepaper	Including energy recovery	4,062.5	0	4062.5
			Excluding energy recovery	0	0	0
	Thermal treatment	Organic/inorganic sludge, waste oil		4,851.1	0	4851.1
	Reuse	Plastic waste, waste glass, scrap hardware, waste IT equipment, waste activated carbon		19,258	12,490	31,747.6

Category	Treatment method	Type of waste	2025 Taiwan sites	2025 Mainland China sites	2025 Innolux
General waste	Self-treatment	Wastewater/sewage, waste glass from LCD panels	0	0	0
	Waste export	Batteries containing cadmium	0	0	0
Total general waste treated (tons)			38,029	12,490	50,519
Recycling rate of general waste (%)			50.6%	100.0%	62.8%
Total waste treated (tons)			52,702	12,859	65,561
Total waste recycling rate (%)			58.0%	97.7%	65.7%

Note1: Statistical data is sourced from the declared waste removal forms and the recycling volume.

Waste Disposal and Recycling Rates



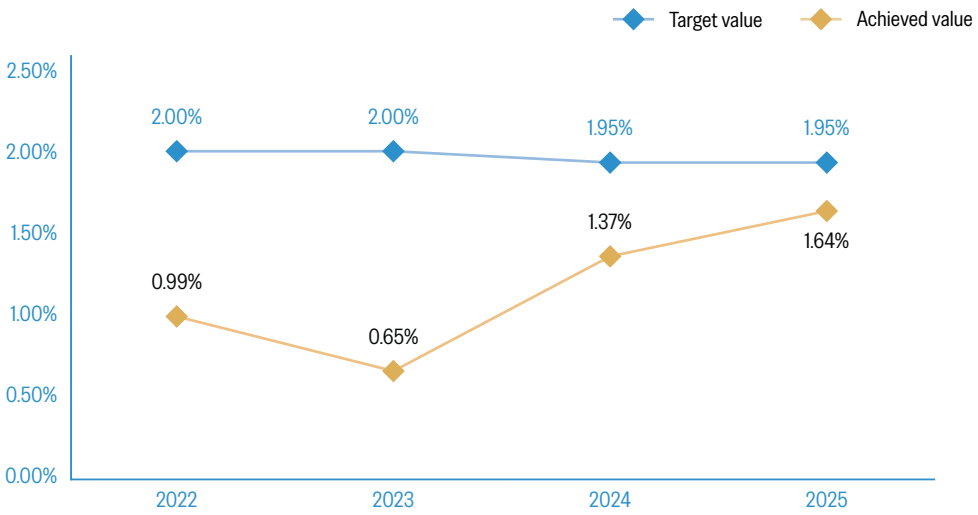
Waste Reduction Outcomes

In 2024, based on past performance and current market conditions for waste treatment, Innolux reviewed its landfill rate target and adjusted it from the original annual target of ≤2.0% to ≤1.95%. In 2025, the Company continued to challenge itself in achieving its waste management target.

With waste reduction and resource recovery as core strategies, Innolux aims to further minimize its landfill rate. In 2025, the landfill rate was 1.64%, and the Company has met its target every year since the target was established.

Note: Data excludes general solid waste from the Mainland China sites.

Landfill rate



5.6.2 Air Pollution Control

Innolux actively controls air pollutant emissions by separating pollutants based on their components (organic compounds, acidic compounds, alkaline compounds, or particulate matter), collecting them in sealed containers, and utilizing the appropriate air pollution control methods based on the pollutants' physical and chemical properties. We keep operation logs for pollution control equipment and the use of raw materials and fuels as mandated by local regulations and ensure that our rules for maintenance, declaration, inspection, and emissions standards are in line with local regulations. The air pollutants produced at our sites (including organic compounds, nitrogen oxides, sulfur oxides, ammonia, chlorine, hydrochloric acid, nitric acid, phosphoric acid, and particulate matter) are tested by third-party validation bodies to ensure that they comply with emissions standards.

Air Pollution Control Projects

Innolux has been upgrading its air pollution control facilities to ensure that volatile organic compounds (VOCs) continue to comply with local regulatory emission standards. In 2025, we replaced the zeolite rotors at FAB8 of the Tainan site.

Air Pollutant Emissions in Recent Years

Unit: tons	Location	2021	2022	2023	2024	2025
Volatile organic compounds (VOCs)	Taiwan	141.9	95.8	82.2	73.8	78.3
	Mainland China	10.1	8.8	4.7	2.9	2.9
	Total	152.0	107.6	86.9	76.7	81.2
Sulfur oxides (SOx)	Taiwan	49.1	45.2	48.4	36.5	28.1
Nitrogen oxides(NOx)	Taiwan	31.8	34.1	34.4	18.3	27.9
Hydrogen chloride(HCl)	Taiwan	0.3	0.4	0.4	2.2	1.2
Hydrogen fluoride(HF)	Taiwan	0.3	0.3	0.6	1.0	0.4

5.7 / Circular Green Factory

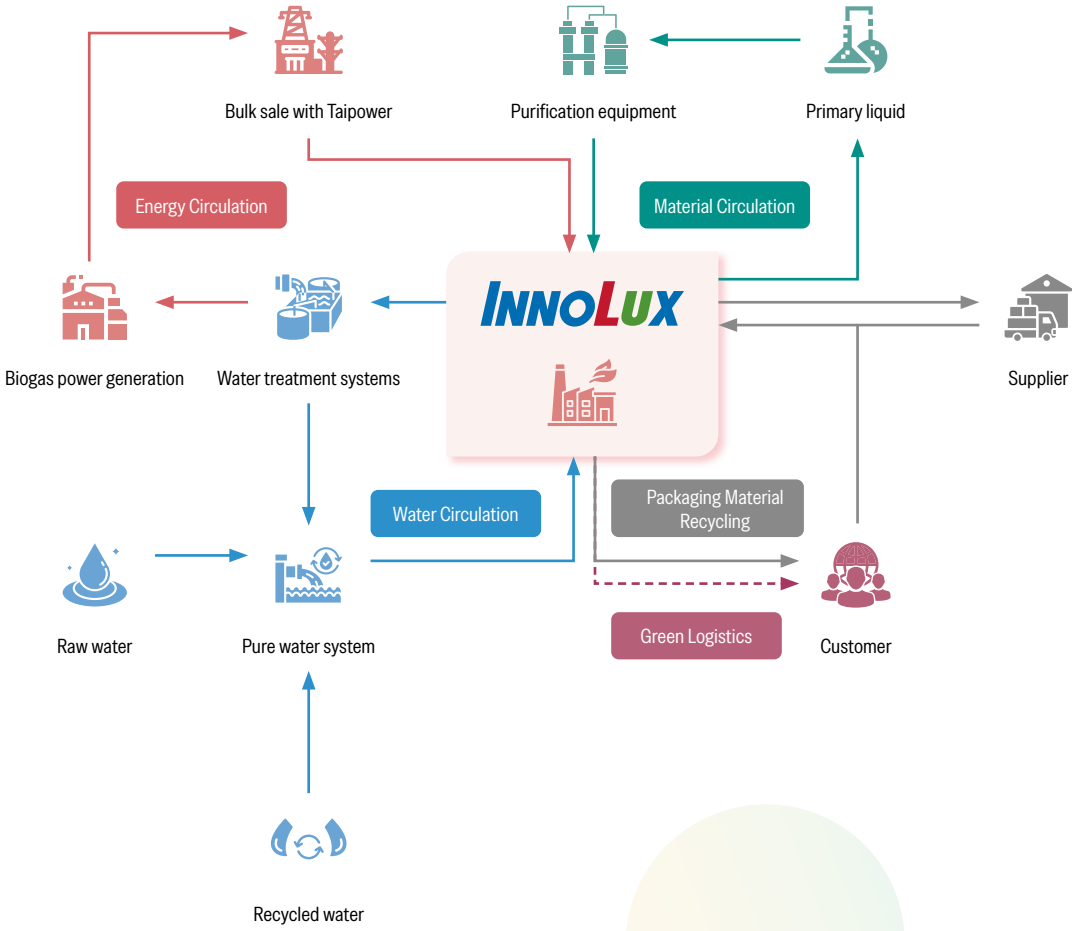
GRI 301-1、301-3、305-6、305-7、306-2

Innolux has declared a core value of "Green Manufacturing = Circular × Zero Waste × Low Carbon" and aims to establish high efficiency circular green factories that align with its mission of building a green, circular economy by developing major recycling pathways for energy, water, raw materials, and packaging materials. Through collaborations with upstream and downstream partners, we carry out the recycling, reuse, redesign, and expanded utilization of resources to create value by maximizing resource efficiency and implementing circular economy.

To fulfill our commitment to a circular economy and align with international standards, Innolux obtained UL 2799 Zero Waste to Landfill certification at its Ningbo site. The Company actively promotes source reduction and recycling to minimize landfill and incineration, thereby increasing the waste-to-resource conversion rate. Since 2024, the Ningbo plant has achieved the Platinum-level UL 2799 Zero Waste to Landfill Validation (ZWTL) for two consecutive years, becoming the first company in Taiwan's panel industry to achieve this distinction. With a waste conversion rate of 99.72%, including a recycling rate of 86.87%, this milestone further reinforces Innolux's commitment to environmental sustainability and the United Nations Sustainable Development Goals (SDGs).



High Efficiency Circular Green Factory



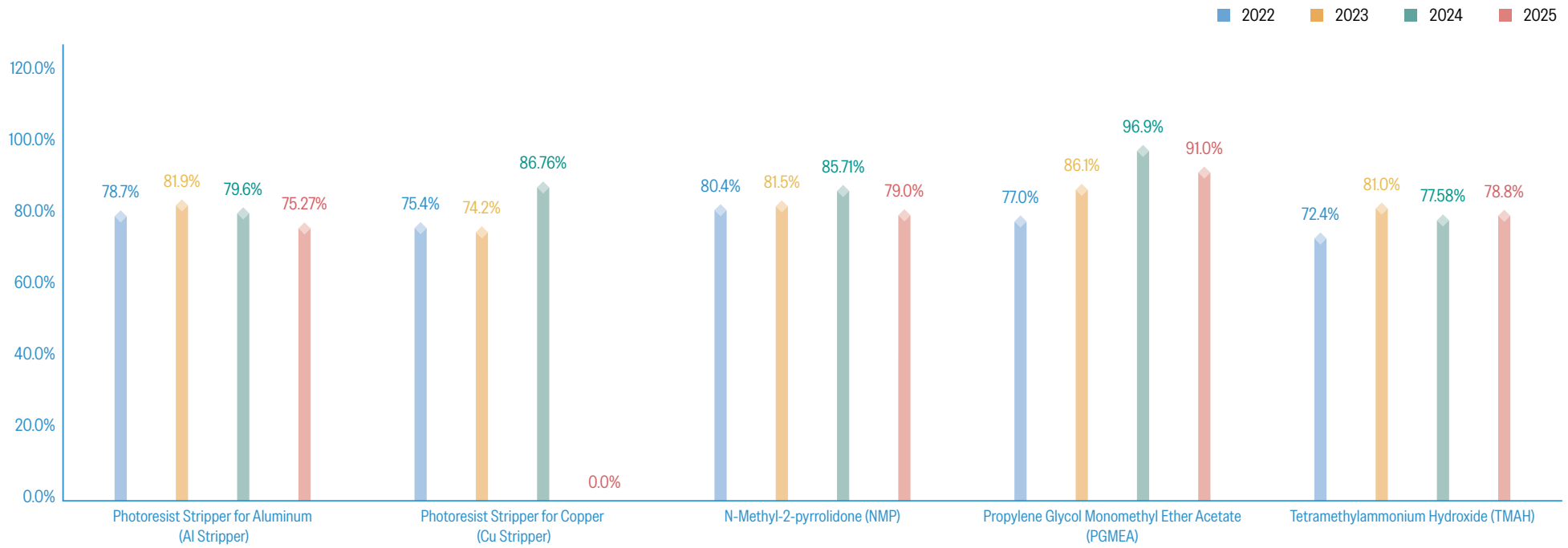
Chemical Recycling

Innolux continues to promote chemical circular economy and is committed to reducing environmental impacts through technological improvements. For the Thinner recycling system, the Company continued to optimize the feed mechanism, resolving pipeline clogging caused by photoresist and solvent residues. These improvements significantly reduced system maintenance frequency while enhancing recovery purity and operational stability, demonstrating strong results in technical optimization.

In terms of diversified recycling mechanisms, Innolux has established five categories of chemical recycling systems. However, no data was available for the copper photoresist stripping solution due to equipment relocation. In 2025, the Company's overall chemical recycling rate reached 77.6%. Although the recycling rates of some chemicals fluctuated slightly due to operational variables, the overall recycling trend remained steadily positive.

Looking ahead, Innolux will continue to deepen the application of recycling technologies and enhance management effectiveness. Through lean green process management, the Company will maximize the value of chemical circular use, reduce environmental impacts through concrete action, and strengthen its green manufacturing competitiveness.

Chemical Recycling Rates, Year-over-year



Note: No data was available for the copper photoresist stripping solution in 2025 due to equipment relocation.

LCD Recycling

Innolux maintains a strong partnership with the Industrial Technology Research Institute (ITRI). Following our joint effort in 2019 to establish the world's first liquid crystal extraction center—featuring an automated process to separate LCD panels and achieve zero waste—we initiated discussions with ITRI in 2023 to evaluate the quality of the extracted liquid crystal. The goal is to work with ITRI to validate the reuse of mixed liquid crystal and, through the Resource Circulation Innovation and Research Development Project launched by the Ministry of Environment's Resource Circulation Administration, enhance the reusability of liquid crystal mixtures extracted from LCD panels, thereby advancing the development of the resource circulation industry.

In 2025, we extracted 0.29 tons of liquid crystal from 1,227 tons of LCD panels, reducing carbon emissions by approximately 481 tCO_2e.

LCD Recycling Outcomes

Category	2023	2024	2025
LCD panel processing volume (tons)	1,572	1,263	1,227
LCD extraction volume (tons)	0.47	0.4	0.29
Average LCD unit price (NTD/g)	286	286	286
Expected economic benefit (NTD)	134,420,000	114,400,000	84,227,000
Estimated carbon reduction (tCO_2e)	790	635	481

Packaging Materials Recycling

As part of our circular economy and zero waste goals, we promote packaging material reuse initiatives in collaboration with our upstream and downstream partners. In 2025, we focused on optimizing existing recycling mechanisms to improve the reuse of various types of packaging materials. By enhancing and consistently operating existing recycling processes, we further improved the circular use of packaging materials, demonstrating our strong commitment to resource sustainability.

Recycling Rates of Packaging Materials in 2025

PP Boxes	DSPK Boxes	Hard Boxes
100%	38.5%	38.9%

Experience Sharing

In 2025, Innolux was invited to various industry seminars and facility exchange meetings, providing valuable opportunities to acquire new technical insights while effectively elevating our corporate reputation.

Organizer	Our Role	Topic	Purpose	Number of Participants
Taiwan Science Park	Speaker	Award Ceremony for Outstanding Enterprises in Resource Circulation	Shared experience as an outstanding water-saving manufacturer in the park and engaged in technical exchanges with other manufacturers to further improve on-site water-saving technologies.	100
Resource Circulation Administration, Ministry of Environment	Speaker	Award Ceremony for Outstanding Enterprises in Resource Circulation	Received recognition as an outstanding enterprise in resource circulation and shared experience with other manufacturers, explaining Innolux's waste reuse outcomes and highlighting its corporate image in waste reduction.	100
Taiwan Science Park	Speaker	Science Park Plant Facilities, Occupational Safety, and Environmental Protection Technology Seminar	Participated in the final presentation for the technical paper competition, presenting the results of biogas power generation technology.	200

Environmental Material Flow in 2025

Incoming

Primary raw materials	Amount used (tons)
Glass substrate	104,114
Liquid crystal	76
Al/Cu etchant	10,586
Developer	15,831
Stripper	17,247
Thinner	2,597
Photoresist	5,337

Energy[Note 1]	Amount used (GJ)
Purchased electricity	15,613,425
Renewable energy (self-generated solar energy)	274,404
Renewable energy (self-generated biogas energy)	519,484
Diesel	21,987
LNG	408,027

Ozone depleting substances	Amount used (tons)
Refrigerants	6.09

Water source	Water intake (tons)
Municipal water	14,541,207
Rainwater	516,700
Recycled water	816,900

Recyclable materials	Recycling rate
Al Stripper	75.3%
N-Methyl-2-pyrrolidone (NMP)	79.0%
Propylene glycol methyl ether acetate (PGMEA)	91.0%
Tetramethylammonium hydroxide (TMAH)	78.8%

Outgoing

GHG	Emissions volume (million tCO_2e)
Scope 1	0.079
Scope 2	2.045
Scope 3	2.940

Air pollutant	Effluent volume (tons)
Volatile organic compounds[Note 2]	81.2
Sulfur oxides[Note 2]	28.1
Nitrogen oxides[Note 2]	27.9
Hydrogen chloride	1.2
Hydrogen fluoride	0.4

Wastewater	Effluent volume (tons)
Wastewater volume	9,589,921
Chemical oxygen demand[Note 3]	567
Biochemical oxygen Demand[Note 3]	106
Suspended solids[Note 3]	233

Process water	
Recycling volume (tons)	249,754,697
Recycling rate	97.6%

Waste	Total processed volume (tons)
Hazardous	15,041
Non-hazardous	50,519

Panel	Output(m^2)
Input Area	58,611,652

Note: The data covers facilities in Taiwan and Mainland China, except for recyclable materials, sulfur oxides, nitrogen oxides, and recycled process water, which are reported based on data from the Taiwan sites only.

Note1: The Taiwan sites use the conversion coefficients from the 2023 Energy Statistics Handbook published by the Energy Administration, Ministry of Economic Affairs: electricity heating value (860 kcal/kWh), solar power heating value (860 kcal/kWh), natural gas heating value (8,000 kcal/m^3), diesel heating value (8,400 kcal/L), and biogas heating value (4,941kcal/m^3). The Mainland China sites use the conversion coefficients listed in the 2016 China Energy Statistical Yearbook: electricity heating value (860 kcal/kWh), diesel heating value (10,200 Kcal/kg), and natural gas heating value (8,505 kcal/m^3).

Note2: The emissions of volatile organic compounds (VOCs), sulfur oxides (SOx), and nitrogen oxides (NOx) are calculated by converting actual monitoring results into emission intensity (kg/m^2), and then estimated based on wafer area.

Note3: Data for chemical oxygen demand, biochemical oxygen demand, and suspended solids are derived from actual monitoring results.

6

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6.1 / Sustainability Performance Overview

GRI 201-4、401-1

6.1.1 Governance Aspect

Financial Performance

Unit: TWD in thousands (TWD for EPS and LPS)

Item	2021	2022	2023	2024	2025
Operating revenue	350,076,690	223,715,758	211,740,557	216,509,919	226,724,264
Gross profit (loss)	91,499,680	-6,905,772	3,109,044	14,172,977	18,656,921
Operating profit (loss)	62,713,075	-31,664,998	-18,708,934	(7,918,921)	(4,160,282)
Non-operating profit (loss)	-301,978	5,442,545	2,345,803	16,147,385	4,456,768
Net income (loss)	57,545,123	-27,914,776	-18,598,730	6,727,332	665,295
Earnings (loss) per share	5.53	-2.76	-2.01	0.76	0.03
Income tax expense (benefit)	4,865,974	1,692,323	2,235,599	1,501,132	(368,809)
Capital expenditures	28,138,827	21,048,162	21,351,840	16,055,103	11,690,206
Compensation and benefits	50,131,195	42,613,298	37,827,219	38,008,083	36,599,555
R&D expenditures	15,044,650	13,045,403	12,011,556	12,406,513	11,837,977
Total assets (year-end)	467,519,590	383,741,496	357,530,442	358,088,006	384,293,197
Total capital (year-end)	105,596,201	95,564,562	90,786,334	79,891,974	79,891,974
Total market value of equity (year-end)	206,968,554	105,598,841	129,824,458	114,644,983	136,215,815
Government subsidies	424,375	877,054	334,125	279,350	303,326
Expenditures on pensions	1,866,205	1,833,354	1,916,137	1,869,723	1,873,676

Note: Prepared in accordance with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) standards, and the Regulations Governing the Preparation of Financial Reports by Securities Issuers acknowledged by the Financial Supervisory Commission.

Reporting and Complaint Investigation Results

Number of cases / Category	Received	Under investigation	Case closed		
			Claim unfounded	Claim rejected	Claim accepted
Corruption or bribery	8	4	3	0	1
Discrimination or harassment	4	0	0	1	3
Privacy Breach	1	0	0	0	1
Conflict of interest	0	0	0	0	0
Fair Trade	0	0	0	0	0

Note: The statistics include cases reported through the anti-corruption reporting email, as well as employee complaints involving sexual harassment and personal data breaches

Conflict Minerals Indicators

Item	2025 [Note 1]
Percentage of revenue derived from products using conflict-affected minerals	0%
Percentage of revenue derived from products using minerals from high-risk areas	41.6%
Percentage of suppliers verified as sourcing neither of the above types of minerals	100%

Note1: Statistical data disclosed externally for the first year.

Product Hazardous Substance Exposure

Product hazardous substance risk assessment rate	Regulatory classification of hazardous substances	Percentage of revenue from products containing substances on this list
100%	EU REACH Annex XVII	None

6.1.2 Social Aspect

Analysis of New Hires in 2024 [Note 1]

Gender	Age	Taiwan		Ningbo		Foshan		Total	
		Number of new employees	Percentage of new employees [Note 2]	Number of new employees	Percentage of new employees [Note 2]	Number of new employees	Percentage of new employees [Note 2]	Number of new employees	Percentage of new employees [Note 2]
Female	<30 years old	10	0.06%	322	4.44%	26	0.64%	358	1.26%
	30-50 years old	15	0.09%	183	2.53%	16	0.39%	214	0.75%
	>50 years old	1	0.01%	0	0.00%	0	0.00%	1	0.00%
Male	<30 years old	85	0.50%	730	10.07%	80	1.97%	895	3.15%
	30-50 years old	65	0.38%	269	3.71%	31	0.76%	365	1.29%
	>50 years old	9	0.05%	0	0.00%	0	0.00%	9	0.03%
Total		185	1.08%	1,504	20.76%	153	3.76%	1,842	6.49%

Note1: Based on incumbent employees as of December 31, 2025.

Note2: New hire rate = (Number of new employees in 205/ Total number of employees at the end of 2025) x 100%.

Composition of Employees in 2025 [Note 1]

SASB TC-HW-330a.1

Site [Note 2]	Age and Gender		Management [Note 3]			Specialists [Note 3]	Administrative Personnel [Note 3]	Technicians [Note 3]	Total
			Low-level managers	Middle managers	Executives				
Taiwan	<30 years old	Female	-	-	-	107	9	208	324
		Male	1	-	-	228	4	430	663
	30-50 years old	Female	147	8	1	876	438	4,344	5,814
		Male	744	63	1	3,618	58	3,668	8,152
	>50 years old	Female	42	11	4	111	59	416	643
		Male	264	137	9	814	16	290	1,530
	Total		1,198	219	15	5,754	584	9,356	17,126
	Percentage		7.00%	1.28%	0.09%	33.60%	3.41%	54.63%	100.00%
Ningbo	<30 years old	Female	-	-	-	37	6	870	913
		Male	2	-	-	110	1	2,194	2,307
	30-50 years old	Female	78	5	-	250	62	1,165	1,560
		Male	184	8	-	389	11	2,277	2,869
	>50 years old	Female	-	-	-	3	-	-	3
		Male	-	-	-	4	1	16	21
	Total		264	13	-	793	81	6,522	7,673
	Percentage		3.44%	0.17%	0.00%	10.33%	1.06%	85.00%	100.00%

Site [Note 2]	Age and Gender		Management [Note 3]			Specialists [Note 3]	Administrative Personnel [Note 3]	Technicians [Note 3]	Total
			Low-level managers	Middle managers	Executives				
Foshan	<30 years old	Female	-	-	-	27	5	243	275
		Male	-	-	-	100	3	609	712
	30-50 years old	Female	68	3	-	152	61	828	1,112
		Male	139	2	-	419	10	1,403	1,973
	>50 years old	Female	-	-	-	-	-	3	3
		Male	2	-	-	6	1	20	29
	Total		209	5	-	704	80	3,106	4,104
	Percentage		5.09%	0.12%	0.00%	17.15%	1.95%	75.68%	100.00%

Note1: Based on incumbent employees as of December 31, 2025.

Note2: "Local managers of Taiwan sites" refers to managers of Taiwanese nationality; "local managers of China sites" refers to managers of Chinese nationality; "local managers of other sites" refers to non-Taiwanese managers.

Note3: Definition of personnel: Low-level managers are assistant managers or managers, middle managers are site directors, and executives are personnel of managerial and higher positions at the head office; specialists are engineering and technical personnel; administrative personnel are administrative affairs personnel; technicians are direct production staff.

Analysis of Overall Employee Separation Rate in 2025

Gender	Age	2022		2023		2024		2025							
								Taiwan		Ningbo		Foshan		Total	
		Number of employees	Separation rate	Number of employees	Separation rate	Number of employees	Separation rate	Number of employees	Separation rate	Number of employees	Separation rate	Number of employees	Separation rate	Number of employees	Separation rate
Female	<30 years old	4,495	9.47%	2,005	5.25%	1,362	17.5%	142	0.76%	814	9.94%	150	3.35%	1,106	14.06%
	30-50 years old	3,337	7.03%	2,434	6.37%	1,358	15.6%	933	5.02%	379	4.63%	172	3.84%	1,484	13.49%
	>50 years old	35	0.07%	97	0.25%	62	0.5%	104	0.56%	4	0.05%	6	0.13%	114	0.74%
Male	<30 years old	10,517	22.15%	4,864	12.72%	4,233	57.0%	305	1.64%	2,670	32.62%	405	9.05%	3,380	43.30%
	30-50 years old	4,682	9.86%	3,244	8.49%	2,284	30.7%	1,186	6.38%	840	10.26%	324	7.24%	2,350	23.88%
	>50 years old	55	0.12%	140	0.37%	95	3.4%	190	1.02%	-	-	1	0.02%	191	1.04%
Total		34,493	23,121	48.70%	12,784	9,394	27.8%	2,860	15.4%	4,707	57.5%	1,058	23.6%	8,625	27.6%

Note: Employee separation rate = { Number of employees leaving the company in 2025/ [(Number of employees at the start of 2024 + Number of employees at the end of 2025) / 2] } × 100%.

Analysis of Voluntary Separation Rate in 2025

Gender	Age	2022		2023		2024		2025							
								Taiwan		Ningbo		Foshan		Total	
		Number of employees	Separation rate	Number of employees	Separation rate	Number of employees	Separation rate	Number of employees	Separation rate	Number of employees	Separation rate	Number of employees	Separation rate	Number of employees	Separation rate
Female	<30 years old	4,487	9.45%	1,998	5.23%	1,349	17.5%	134	0.72%	813	9.93%	148	3.31%	1,095	13.96%
	30-50 years old	3,315	6.98%	2,365	6.19%	1,295	15.3%	805	4.33%	379	4.63%	159	3.55%	1,343	12.51%
	>50 years old	34	0.07%	94	0.25%	47	0.4%	75	0.40%	4	0.05%	6	0.13%	85	0.59%
Male	<30 years old	10,464	22.04%	4,835	12.65%	4,212	56.9%	288	1.55%	2,670	32.62%	404	9.02%	3,362	43.19%
	30-50 years old	4,640	9.77%	3,140	8.21%	2,200	29.3%	1,053	5.66%	838	10.24%	315	7.04%	2,206	22.94%
	>50 years old	48	0.10%	129	0.34%	79	2.4%	156	0.84%	-	0.00%	1	0.02%	157	0.86%
Total		22,988	48.42%	12,561	32.86%	9,182	27.1%	2,511	13.5%	4,704	57.5%	1,033	23.1%	8,248	26.4%

Note: Employee separation rate = { Number of employees leaving the company in 2024 / [(Number of employees at the start of 2025+ Number of employees at the end of 2025) / 2] } × 100%.

Female-to-Male Salary and Compensation Ratio

Category	Group	Female	Male
Executives [Note 1]	Salary	0.95	1
	Compensation	1.62	1
Managers	Salary	0.87	1
	Compensation	0.85	1
Non-managers	Salary	0.82	1

Note1: "Executives" refers to personnel of managerial and higher positions at the head office. "Managers" refers to all supervisory personnel other than executives. "Non-managers" refers to all personnel not included above.

Employee Labor Union Participation

Year	2025	2024	2023	2022
Number of employees participating in labor unions	11,571	12,382	11,211	12,171
Percentage of total employees	40%	37%	31%	29%

Note: No labor unions have been established at Taiwan sites. The Ningbo and Foshan sites have established labor unions in accordance with the law.

6.1.3 Environmental Aspect

Item/Year		Unit	2021	2022	2023	2024	2025
Consumption of energy resources and materials	Water consumption	Mm^3	21.3	18.3	15.9	15.2	14.5
	Power consumption Note 1	MWh	5,744,430	5,210,590	5,093,829	4,738,368	4,557,587
	Diesel Note 2	MWh	14,434	3,136	3,761	5,590	6,108
	Natural Gas	MWh	173,052	147,867	141,106	137,376	113,341
	Liquid crystal	Tons	97	85	88	97	76
	Aluminum/copper etching solutions Note 3	Tons	21,722	18,125	17,413	10,252	10,586
	Developer	Tons	21,649	19,342	18,883	16,084	15,831
	Stripper	Tons	19,210	15,937	16,785	24,459	17,247
	Thinner	Tons	4,741	3,176	2,954	4,698	2,597
	Photoresist	Tons	6,791	5,918	5,752	5,231	5,337
Greenhouse gas emissions	Scope 1	$MtCO_2e$	0.306	0.117	0.110	0.079	0.079
	Scope 2	$MtCO_2e$	3.006	2.605	2.494	2.161	2.045
	Scope 3	$MtCO_2e$	0.609	1.221	1.648	2.876	2.940
Wastewater discharge	Wastewater volume	Tons	12,728,933	10,929,412	9,965,819	8,008,916	9,589,921
	Chemical oxygen demand	Tons	975	675	628	101	567
	Biochemical oxygen demand	Tons	305	143	115	86	106
	Suspended solids	Tons	489	320	264	170	233
Water recycling	Rate of water recycling throughout production processes Note 3	%	97.2	97.3	97.6	97.3	97.6
	Volume of water recycled from production processes Note 3	Tons	291,938,321	263,550,003	267,516,547	249,754,697	269,070,714
Waste disposal	Total waste volume	Tons	100,246	73,735	65,056	69,011	65,561
	Hazardous waste	Tons	24,993	20,639	19,408	17,767	15,041
	Ordinary waste	Tons	75,253	53,096	45,648	51,244	50,519
Air pollutant emissions	VOCs	Tons	152.0	107.6	86.9	76.7	81.2
	Sulfur oxides Note 3	Tons	49.1	45.2	48.4	36.5	28.1
	Nitrogen oxides Note 3	Tons	31.8	34.1	34.4	18.3	27.9

Note1: Includes purchased electricity, purchased green energy, and self-generated green energy.

Note2: Diesel is only used for factory equipment.

Note3: The data cover Taiwan sites.

6.2 / Mapping to the United Nations Sustainable Development Goals (SDGs)

SDG Goal		Related Material Topic [Note 1]	2030 Sustainability Target	Page No.
 Good Health and Well- being	3.4 Promote mental health and well-being	Occupational Health and Safety	Percentage of employees receiving mental health support ≥ 90%	127
	3.D Strengthen national capacity for health risk management	Occupational Health and Safety	Percentage of employees at risk of chronic diseases ≤ 12.5%	128
 Quality Education	4.4 Increase the number of people with relevant skills	Talent Recruitment and Retention	Retention rate of technical personnel ≥ 85%	91
	4.7 Ensure knowledge and skills for sustainable development	Talent Development and Training	Average no. annual education and training hours ≥ 160 hours	108
 Clean Water and Sanitation	6.4 Increase water-use efficiency	Water Resource Management	Water reclamation rate ≥ 97%	173
	6. Improve water and sanitation facilities	Water Resource Management	Water reclamation rate ≥ 97%	173
 Affordable and Clean Energy	7.3 Improve energy efficiency	Climate Strategy and Energy	Reduction in Scope 1 and Scope 2 emissions ≥ 25%	165
		Climate Strategy and Energy	Carbon reduction by key suppliers ≥ 20%	60
	7.A Enhance clean energy technology	Climate Strategy and Energy	Percentage of renewable energy used ≥ 20%	171
 Decent Work and Economic Growth	8.4 Improve resource efficiency	Climate Strategy and Energy	Reduction in Scope 1 and Scope 2 emissions ≥ 25%	165
		Climate Strategy and Energy	Carbon reduction by key suppliers ≥ 20%	60
	8.5 Achieve full and productive employment and decent work for all	Talent Recruitment and Retention	Retention rate of technical personnel ≥ 85%	91
		Talent Development and Training	Employee commitment survey participation > 80%	119
		Talent Development and Training	Employee commitment survey average score > 80	118
	8.8 Protect labor rights	Occupational Health and Safety	Lost time injury frequency rate (LTIFR) ≤ 0.22	129
		Occupational Health and Safety	Contractors' LTIFR ≤ 0.25	130
		Supply Chain Management	ESG audit improvement rate among high-risk suppliers ≥ 85%	83
		Customer Relationship Management	Responsible Business Alliance (RBA) Self-Assessment Questionnaire (SAQ) scores on human rights ≥ 90 points	76
 Industry, Innovation and Infrastructure	9.1 Develop quality, reliable, sustainable and resilient infrastructure	Information Security	All (100%) operating locations and subsidiaries obtain ISO 27001 certification	32
		Information Security	Received a Panorays Cyber Posture Rating of 96	32
		Information Security	No major information security breaches	32

SDG Goal		Related Material Topic [Note 1]	2030 Sustainability Target	Page No.
 Industry, Innovation and Infrastructure	9.4 Upgrade infrastructure and retrofit industries to make them sustainable	Air Pollution Control	Volatile Organic Compounds (VOCs) treatment efficiency ≥ 92%	141
		Climate Strategy and Energy	Reduction in Scope 1 and Scope 2 emissions (vs.2020) ≥ 25%	165
		Supply Chain Management	Carbon reduction by key suppliers (vs.2020) ≥ 20%	60
	9.5 Enhance research and innovation	Innovation and R&D	Cumulative global patents ≥ 15,000	60
	9.B Support domestic technology development, research and innovation	Innovation and R&D	Cumulative global patents ≥ 15,000	60
 Sustainable Cities and Communities	11.A Support positive economic, social and environmental links between urban, peri-urban and rural areas	Note 2	Cumulative volunteer service hours ≥ 8,500	106、134
 Responsible Consumption and Production	12.2 Sustainable management and efficient use of resources	Waste and Circular Economy	Recycling rate for hazardous industrial waste ≥ 95%	141
		Water Resource Management	Water reclamation rate ≥ 97%	173
		Sustainable Manufacturing	Percentage of recycled materials used 100%	67
	12.4 Ensure environmentally sound management of chemicals and waste	Waste and Circular Economy	Recycling rate for hazardous waste ≥ 95%	177
	12.5 Substantially reduce waste generation	Waste and Circular Economy	Recycling rate for hazardous industrial waste ≥ 95%	141
		Sustainable Manufacturing	Percentage of recycled materials used 100%	67
	12.6 Encourage sustainable practices and reporting	Supply Chain Management	ESG audit improvement rate among high-risk suppliers ≥ 85%	83
	12.8 Raise awareness of sustainable development	Supply Chain Management	Number of suppliers taking part in ESG initiatives ≥ 100	60
 Climate Action	13.3 Improve climate change resilience	Climate Strategy and Energy	Carbon reduction by key suppliers ≥ 20%	60
 Peace, Justice and Strong Institutions	16.7 Ensure inclusive, participatory and representative decision making	Customer Relationship Management	RBA SAQ scores on human rights ≥ 90	76
 Partnerships for the Goals	17.16 Enhance global partnerships for sustainable development	Customer Relationship Management	Customer satisfaction rate ≥ 98%	75
		Supply Chain Management	ESG audit improvement rate among key suppliers ≥ 85%	83
		Supply Chain Management	Number of suppliers taking part in ESG initiatives ≥ 100	60

Note1: The material topics disclosed in this report are based on 2024's materiality analysis results and are slightly different from the topics disclosed in the previous year because some titles were changed, topics were combined, and the scope of disclosure was streamlined. For the entire process of materiality analysis and corresponding descriptions, see 1.2 Stakeholder Communication and Materiality Analysis.

Note2: This goal was not included as a material topic in 2025, but it is one of the sustainability goals for 2030.

6.3 / Sustainability Disclosure Framework Index

6.3.1 GRI Standards

In accordance with GRI Standards 1,2,3,200,300,400

Statement of use	The Innolux ESG report is prepared in accordance with the GRI standard. The disclosure period is from January 1 to December 31, 2025
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	-

GRI Standards	Disclosure	Chapter	Page	Remarks
GRI 2: General Disclosures 2021	2-1 Organizational details	0.3 Company Overview	6	
	2-2 Entities included in the organization's sustainability reporting	0.1 About this Report	3	
	2-3 Reporting period, frequency and contact point	0.1 About this Report	3	
	2-4 Restatements of information	6.4 Errata	208	
	2-5 External assurance	0.1 About this Report 6.5 Independent Verification Statement	3 209	
	2-6 Activities, value chain, and other business relationships	3.4.1 Supply Chain Overview	76	
	2-7 Employees	4.1 Talent Recruitment and Retention	92	No part-time or temporary employees or employees without guaranteed minimum working hours
	2-8 Workers who are not employees	4.1 Talent Recruitment and Retention	92	
	2-9 Governance structure and composition	1.1.2 Sustainable Development Committee 2.1 Governing Body	14 33	
	2-10 Nomination and selection of the highest governance body	2.1 Governing Body	33	
	2-11 Chair of the highest governance body	2.1 Governing Body	33	The Chairman also serves as the CEO.
	2-12 Role of the highest governance body in overseeing the management of impacts	1.1.2 Sustainable Development Committee 2.1 Governing Body	14 33	
	2-13 Delegation of responsibility for managing impacts	1.1.2 Sustainable Development Committee	14	

GRI Standards	Disclosure	Chapter	Page	Remarks
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	1.1.2 Sustainable Development Committee 1.2 Stakeholder Communication and Materiality Analysis	14 21	
	2-15 Conflicts of interest	2.1 Governing Body	33	
	2-16 Communication of critical concerns	1.1 Sustainability Management 2.1 Governing Body	13 33	
	2-17 Collective knowledge of the highest governance body	2.1.1 Board of Directors and Its Operations	33	
	2-18 Evaluation of the performance of the highest governance body	2.1.1 Board of Directors and Its Operations	33	
	2-19 Remuneration policies	2.1 Governing Body	33	
	2-20 Process for determining remuneration	2.1 Governing Body	33	
	2-21 Annual total compensation ratio	4.1.4 Remuneration and Benefits	98	
	2-22 Statement on sustainable development strategy	0.2 A Message from the Chairman	5	
	2-23 Policy commitments	1.1 Sustainability Management 2.2 Risk Management 2.3 Integrity Management and Legal Compliance 2.4.2 Tax Governance 3.1.2 Intellectual Property Management 3.2.2 Product Sustainability and Compliance Management 3.4.2 Sustainable Supply Chain Management 4.3.1 Respect for Human Rights 4.4 Safety and Protection 5.1 Environmental Governance 5.2 Environmental Risk Management Strategies	13 38 51 57 64 68 78 111 119 142 149	
	2-24 Embedding policy commitments	1.1 Sustainability Management 2.2 Risk Management 2.3 Integrity Management and Legal Compliance 2.4.2 Tax Governance 3.1.2 Intellectual Property Management 3.2.2 Product Sustainability and Compliance Management 3.4.2 Sustainable Supply Chain Management 4.3.1 Respect for Human Rights 4.4 Safety and Protection 5.1 Environmental Governance 5.2 Environmental Risk Management Strategies	13 38 51 57 64 68 78 111 119 142 149	

GRI Standards	Disclosure	Chapter	Page	Remarks
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	1.1 Sustainability Management 2.2 Risk Management 2.3 Integrity Management and Legal Compliance 2.4.2 Tax Governance 3.1.2 Intellectual Property Management 3.2.2 Product Sustainability and Compliance Management 3.4.2 Sustainable Supply Chain Management 4.3.1 Respect for Human Rights 4.4 Safety and Protection 5.1 Environmental Governance 5.2 Environmental Risk Management Strategies	13 38 51 57 64 68 78 111 119 142 149	
	2-26 Mechanisms for seeking advice and raising concerns	1.2.1 Stakeholder Communication 2.3.1 Integrity Management 4.3.2 No Communication Gaps in the Workplace	18 51 116	
	2-27 Compliance with laws and regulations	2.3 Integrity Management and Legal Compliance	51	
	2-28 Membership associations	0.3 Company Overview	6	
	2-29 Approach to stakeholder engagement	1.2 Stakeholder Communication and Materiality Analysis	21	
	2-30 Collective bargaining agreements	-	-	Labor unions have been established at the Ningbo and Foshan sites, with an estimated 11,571 members , accounting for 40% of global employees. However, no collective agreements have been reached.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1.2 Stakeholder Communication and Materiality Analysis	21	
	3-2 List of material topics	1.2 Stakeholder Communication and Materiality Analysis	21	
	3-3 Management of material topics	1.2 Stakeholder Communication and Materiality Analysis	21	
GRI 201*: Economic Performance 2016	201-1 Direct economic value generated and distributed	2.4 Financial Performance and Tax Governance	55	Please refer to page 80 of the 2025 annual report for more information on capital and the issuance of shares.
	201-2 Financial implications and other risks and opportunities due to climate change	5.2.2 Climate Risk Assessment and Management	155	
	201-3 Defined benefit plan obligations and other retirement plans	4.1.4 Remuneration and Benefits	98	
	201-4 Financial assistance received from the government	6.1.1 Economic Aspect	184	
GRI 202*: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	4.1.4 Remuneration and Benefits	98	
	202-2 Proportion of senior management hired from the local community	4.1.3 Diversity and Inclusion	95	

GRI Standards	Disclosure	Chapter	Page	Remarks
GRI 203*: Indirect Economic Impacts 2016	203-1 Infrastructure investment and services supported	-	-	No relevant Infrastructure investment or donations in 2025.
	203-2 Significant indirect economic impacts	1.3 Sustainability Impacts 2.2 Risk Management 2.4 Financial Performance and Tax Governance 3.1 R&D Innovation 3.4 Sustainable Supply Chain 4.1 Talent Recruitment and Retention	27 38 55 61 76 92	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	3.4.1 Supply Chain Overview	76	
GRI 205*: Anti-corruption 2016	205-1 Assessment of operations for risks related to corruption	2.3 Integrity Management and Legal Compliance	51	CSR internal audit is conducted in accordance with RBA requirements and no significant risks were found in 2025.
	205-2 Communication and training on anti-corruption policies and procedures	2.3 Integrity Management and Legal Compliance	51	
	205-3 Confirmed incidents of corruption and actions taken	2.3 Integrity Management and Legal Compliance	51	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	5.7 Circular Green Factory (Environmental Materials Flow in 2024)	179	A total of 132,209 tons of nonrenewable materials used.
	301-2 Recycled input materials	-	-	Please refer to the 'Green Products' page on our official website.
	301-3 Reclaimed products and their packaging materials	5.7 Circular Green Factory	179	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	5.4 Energy Management	166	
	302-2 Energy consumption outside of the organization		-	No quantified data for energy consumption outside the organization.
	302-3 Energy intensity	5.4.1 Energy Consumption and Resource Use	166	
	302-4 Reductions in energy consumption	5.1.1 Climate Change Governance 5.4.2 Energy Transition	144 168	
	302-5 Reductions in energy requirements of products and services	3.2.2 Product Sustainability and Compliance Management	68	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	5.2.1 Natural Risk Assessment and Management	149	
	303-2 Management of water discharge-related impacts	5.5.3 Water Pollution Control	174	
	303-3 Water withdrawal	5.5.3 Water Pollution Control	174	
	303-4 Water discharge	5.5.3 Water Pollution Control	174	
	303-5 Water consumption	5.5.3 Water Pollution Control	174	

GRI Standards	Disclosure	Chapter	Page	Remarks
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	5.3.1 Greenhouse Gas Inventory	162	
	305-2 Indirect (Scope 2) energy GHG emissions	5.3.1 Greenhouse Gas Inventory	162	
	305-3 Other indirect (Scope 3) GHG emissions	5.3.1 Greenhouse Gas Inventory	162	
	305-4 GHG emissions intensity	5.3.3 Carbon Reduction Target Results	165	
	305-5 Reductions in GHG emissions	3.4.1 Supply Chain Overview 5.1.1 Climate Change Governance 5.3 Greenhouse Gas Management	76 144 162	
	305-6 Emissions of ozone-depleting substances (ODS)	5.7 Circular Green Factory (Environmental Material Flow in 2024)	179	No ODS production or output.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air pollutant emissions	5.7 Circular Green Factory (Environmental Material Flow in 2024)	179	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	5.6.1 Waste Control 5.7 Circular Green Factory	176 179	
	306-2 Management of significant waste-related impacts	5.6.1 Waste Control 5.7 Circular Green Factory	176 179	
	306-3 Generated waste	5.6.1 Waste Control	176	
	306-4 Waste diverted from disposal	5.6.1 Waste Control	176	
	306-5 Waste directed to disposal	5.6.1 Waste Control	176	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers screened using environmental criteria	3.4.2 Sustainable Supply Chain Management	78	
	308-2 Negative environmental impacts in the supply chain and actions taken	3.4 Sustainable Supply Chain	76	
GRI 401: Employment 2016	401-1 New hires and employee turnover	4.1.3 Diversity and Inclusion 6.1.2 Social Aspect	95 185	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1.4 Remuneration and Benefits	98	The compensation and benefits of permanent and non-permanent employees are approximately the same.
	401-3 Parental leave	4.1.4 Remuneration and Benefits	98	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	4.4.1 Occupational Safety and Health Management	120	
	403-2 Hazard identification, risk assessment, and incident investigation	4.4 Safety and Protection	119	
	403-3 Occupational health services	4.4.3 Health Care	124	
	403-4 Worker participation, consultation, and communication on occupational health and safety	4.4 Safety and Protection	119	
	403-5 Worker training on occupational health and safety	4.4.4 Occupational Accident Management	129	

GRI Standards	Disclosure	Chapter	Page	Remarks
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	4.4.3 Health Care	124	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked to business operations	2.2 Risk Management 4.4 Safety and Protection 3.2.2 Product Sustainability and Compliance Management	38 119 68	
	403-8 Workers covered by an occupational health and safety management system	4.4.1 Occupational Safety and Health Management	120	
	403-9 Work-related injuries	4.4 Safety and Protection	119	
	403-10 Work-related illnesses	4.4.3 Health Care	124	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	4.2 Talent Cultivation and Development	107	
	404-2 Programs for upgrading employee skills and transition assistance programs	4.1 Talent Recruitment and Retention 4.2 Talent Cultivation and Development	92 107	
	404-3 Percentage of employees receiving regular performance and career development reviews	4.1.5 Performance Management and Development (PMD)	102	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governing bodies and employees	2.1.1 Board of Directors and Its Operations 4.1.3 Diversity and Inclusion	33 95	
	405-2 Ratio of basic salary and remuneration of women to men	4.1.4 Remuneration and Benefits	98	
GRI 406*: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	4.3 Labor Rights and Relations	111	
GRI408*: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	4.3.1 Respect for Human Rights	111	
GRI409*: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	-	-	CSR internal audit and supplier SER audit were conducted according to RBA requirements; no significant risks were found in 2025.
GRI414: Supplier Social Assessment 2016	414-1 New suppliers screened using social criteria	3.4.3 Supply Chain Quality Management	88	
	414-2 Negative social impacts in the supply chain and actions taken	3.4 Sustainable Supply Chain	76	
GRI416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	3.2 Sustainable Manufacturing	66	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-	-	No violations against the regulations of health and safety for Innolux products and services in 2025.

GRI Standards	Disclosure	Chapter	Page	Remarks
GRI417*: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling, and the organization's adherence to them	3.2.2 Product Sustainability and Compliance Management	68	
	417-2 Incidents of non-compliance concerning product and service information and labelling	3.2.2 Product Sustainability and Compliance Management	68	
GRI418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.3.1.2 Reporting Channels and Whistleblower Protection Mechanisms 3.3.3 Client Privacy	53 76	

Note: "*" refers to voluntarily disclosed non-material issues.

6.3.2 Sustainability Accounting Standards Board (SASB) Note 1

Code	Metric	Chapter	Page	Remark
	Product Security			
TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products		-	In addition to non-end (intermediate) products, Innolux offers hardware OEM/ODM/EMS services. We are not affected by information security issues surrounding software development and installation.
	Employee Diversity & Inclusion			
TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	4.1.3 Diversity and Inclusion	95	
	Product Lifecycle Management			
TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances		-	Products that comply with IEC 62474 controlled substances that require reporting account for 52.01% of annual revenue.
TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent		-	Non-end-product manufacturer; this indicator does not apply.
TC-HW-410a.3	Percentage of eligible products, by revenue, certified to an energy efficiency certification		-	Non-end-product manufacturer; this indicator does not apply.
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered; percentage recycled		-	Non-end-product manufacturer; this indicator does not apply.

Code	Metric	Chapter	Page	Remark
		Supply Chain Management		
TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	3.4.2 Sustainable Supply Chain Management	78	In 2025, a total of seven suppliers underwent RBA VAP audits. A total of 14 non-conformances were identified at five suppliers, resulting in a supplier non-conformance rate of 71%.
TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	3.4.2 Sustainable Supply Chain Management	78	Among the 14 non-conformances identified in 2025, there were no major non-conformances and 14 general non-conformances. All findings have been fully corrected, achieving an improvement rate of 100%.
		Materials Sourcing		
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	2.2.2 Risk Identification and Management	39	We defined dozens of key parts in the Innolux Materials Supplier Management Guidelines, including glass, liquid crystal, polarizers, and driver ICs, among others. To ensure a stable supply of key materials, we formulated risk management measures for each key material. Please see the corresponding chapters for more details.
		Activity Metrics		
TC-HW-000.A	Number of units produced by product category		-	Input Area: 58,611,652 m^2
TC-HW-000.B	Area of manufacturing facilities		-	3,870,961.27 m^2
TC-HW-000.C	Percentage of production from owned facilities		-	100% of production capacity comes from Innolux's own plants.

Note1: According to the technology and communication sector hardware standards of the SASB index, 2023-12 version.

6.3.3 Sustainability Disclosure Indices for the Optoelectronics industry as Set Forth in the Taiwan Stock Exchange Corporation's Rules Governing the Preparation and Filing of Sustainability Reports

Indicator	Type of indicator	Chapter	Page	Remarks
1. Total energy consumption, percentage of purchased electricity, and renewable energy utilization rate	Quantitative	5.4 Energy Management	166	
2. Total water withdrawal and total water consumption	Quantitative	5.5.3 Water Pollution Control	174	
3. Weight of hazardous waste generated and recycling rate	Quantitative	5.6.1 Waste Control	176	
4. Explanation of type, number, and rate of occupational disasters	Quantitative	4.4.4 Occupational Accident Management	129	
5. Product lifecycle management disclosure: including weight of obsolete products and e-waste and recycling rate	Quantitative		-	147.1 metric tons of electronic waste was produced (100% recycled)
6. Description of risk management related to the use of critical materials	Qualitative description	2.2.2 Risk Identification and Management 3.4.2 Sustainable Supply Chain Management	39 78	
7. Pecuniary loss as a result of legal proceedings related to anti-competitive acts	Quantitative		-	No pecuniary loss as a result of legal proceedings related to anti-competitive acts.
8. Production of major products by category	Quantitative	0.3 Company Overview	6	

6.3.4 Climate-related Disclosures Required by the Taiwan Stock Exchange Corporation's Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Implementation of Climate-Related Information

Item	Implementation Status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The competent sustainability development unit tabulates the Company's annual climate strategies, goals, and achievements as well as climate-related risks and opportunities, which are then presented by the Chief Governance Officer (CGO) to the Board of Directors each year. The Board reviews the Company's sustainability vision and goals and makes the necessary strategic adjustments. Furthermore, the Carbon Risk Management Committee follows up with each of its task forces on a quarterly basis to review their strategies and measures. If a major climate-related decision needs to be made, the Committee may convene with the approval of the Board of Directors.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short-, medium-, and long-term).	
3. Describe the financial impact of extreme weather events and transformative actions.	Innolux follows the TCFD's recommended reporting framework and identifies potential financial risks across eight key areas: revenue, direct costs, indirect costs, capital expenditures, capital gains, asset value, insurance premiums, and liabilities. In 2025, all major transformation actions fall under the regulatory category. Uncertainties related to total emissions control/trading, mandatory reporting, and new regulations may all contribute to increased company costs. Significant physical extreme weather events, including tropical cyclones, not only affect costs but are also associated with reduced revenue.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Innolux's Risk Management Policy and Procedures delineate three lines of defense. Our business units are responsible for identifying risks, our risk management unit is in charge of matters related to regulatory compliance and risk management goals, and the Audit Office performs independent audits to ensure effective internal control. In 2025, we conducted a materiality analysis for four major risk categories: strategies, operations, finance, and natural disasters. We recognized climate change as a long-term risk, and have added to the materiality analysis for more comprehensive risk control.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and major financial impacts used should be described.	To effectively mitigate climate change impacts and address uncertainties regarding the future, we conducted a climate change scenario analysis, with 2022 as the base year, to gauge potential tangible and transformational impacts on our revenue under various scenarios. In accordance with the Sixth Assessment Report (AR6) released by the UN Intergovernmental Panel on Climate Change (IPCC) in 2021, we selected the worst-case scenario of the Representative Concentration Pathways (RCP 8.5) to evaluate tangible impacts (excluding socioeconomic factors and only considering changes in radiative forcing). For transformational risks, we adopted the Nationally Determined Contributions (NDCs), Shared Socioeconomic Pathways (SSP 1-1.9), and Science Based Targets Initiative (SBT 1.5) to configure our simulations.

Item	Implementation Status
6. If there is a transition plan for managing climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical risks and transition risks.	Innolux has formulated a transformation plan to address climate change issues under the business-as-usual (BAU) assumption. Specific initiatives set out in the plan include carbon emissions reduction, the installation of renewable energy equipment, green energy and carbon rights/permit purchases, and the development of technologies for carbon capture, storage, and reuse. The plan is expected to help the Company reduce spending on domestic and international carbon taxes. Our company achieved the 2026 SBTi WB2C target in 2024 and submitted the application for the SBTi 1.5° C 2030 target in 2025. We remain committed to advancing our mid-term goals of achieving 20% renewable energy (RE20) company-wide and 100% renewable energy (RE100) across our sites in Greater China by 2030, while continuing to review and adjust our strategies dynamically.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Since 2021, Innolux Corporation has implemented an internal carbon pricing mechanism as a supporting tool for evaluating carbon-related investments and improvement initiatives. The internal carbon price is adjusted annually based on the company's carbon reduction performance. Internal carbon pricing formula: { [Investment (NT$) ÷ Amortization period (years)] + Maintenance costs (NT$) + Testing costs (NT$) } /Reduction in GHG emissions (tCO_2e)
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Innolux and its subsidiaries have set the following emissions reduction targets and action plans: 1. SBTi Reduction Target: A 15% absolute reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2026 compared to the 2020 baseline. This will be achieved through improvements in energy efficiency, installation of fluorinated gas abatement systems in production processes, deployment of renewable energy facilities, and renewable electricity procurement. Emissions in 2025 are estimated to have been reduced by 35.6% compared to 2020 levels. 2. Renewable Energy Goal (RE20): Achieve 20% renewable energy usage by 2030. This will be pursued through the installation of solar power systems and the procurement of renewable energy. The renewable energy usage rate is projected to reach approximately 5.2% in 2025.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (fill out separately in points 1-1 and 1-2 below).	1. In 2025, Innolux completed a 2024 greenhouse gas inventory of the parent company and its subsidiaries. In 2026, we will continue to perform greenhouse gas inventories and obtain assurance on our GHG reports. We plan to complete the inventories by April and obtain assurance by August. 2. Innolux has set the following Scopes 1&2 GHG reduction goals for sites in the greater China region: 15% absolute reduction by 2026 and 25% reduction by 2030 (vs. 2020 levels); 20% renewable energy used (RE20) by 2030. 3. The reduction strategies include low-carbon process transformation, improvements in energy efficiency, and the installation of renewable energy systems. Actions taken include maintaining the efficiency of high-performance exhaust gas abatement equipment, reducing the use of FC gases, decreasing reliance on fossil fuels, replacing outdated equipment to enhance energy efficiency, installing solar power systems and biogas power generation systems, and evaluating the feasibility of low-carbon energy generation installations.

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO_2e), intensity (metric tons CO_2e/NT$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.
1. Innolux has disclosed the Company's and its subsidiaries' 2024 GHG inventory results in its 2024 ESG Report. Scopes 1&2 GHG emissions amounted to 2,240,000 tCO_2e in 2025 (GHG intensity: 10.34 tCO_2e per NT$ 1 million)
2. Innolux has disclosed the Company's and its subsidiaries' 2025 GHG inventory results. Scopes 1&2 GHG emissions amounted to about 2,170,000 tCO_2e in 2025 (GHG intensity: 9.58 tCO_2e per NT$ 1 million)

Note1: Direct emissions (Scope 1) are greenhouse gas emissions from sources that are owned or controlled by the company. Energy indirect emissions (Scope 2) are indirect greenhouse gas emissions from the generation of purchased electricity, heat, or steam consumed by the company. Other indirect emissions (Scope 3) are emissions that occur as a consequence of the company's activities but from sources not owned or directly controlled by the company.

Note2: The data coverage for direct emissions and energy indirect emissions shall comply with the schedule set forth by the competent authority in accordance with Article 10, Paragraph 2 of the regulations. Disclosure of other indirect emissions is on a voluntary basis.

Note3: Greenhouse gas inventory standards: The Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note4: Greenhouse gas emission intensity may be calculated per unit of product/service or revenue. At minimum, emission intensity calculated based on revenue (in NT$ millions) shall be disclosed.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.
1. In 2025, Innolux and all subsidiaries included in its consolidated financial statements completed the 2024 GHG emissions inventory and assurance work, in accordance with the timeline determined under the Financial Supervisory Commission' s Sustainable Development Guidemap for TWSE- and TPEx-Listed Companies.
2. The Company plans to complete the 2025 GHG emissions inventory by the end of April 2026 and commission third-party verification by DNV Business Assurance Co., Ltd. DNV is expected to provide the verification statement by the end of August to complete the assurance process. Full assurance details will be disclosed in the sustainability report.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy, and concrete action plan, and the status of achievement of the reduction targets.
1. Our medium- to long-term goal is to reduce Scopes 1&2 GHG emissions by 25% by 2030 (vs. 2020). We are approaching this goal from three angles—low-carbon manufacturing, energy efficiency, and renewable energy—and we have taken the following actions: installation of fluorine reduction equipment, reductions in reliance on FCs and fossil fuels, replacement of old facilities for better energy efficiency, installation of solar panels/biogas power generators, and evaluation of the installation of low-carbon energy generation systems.
2. According to third-party audit results, there was a total of about 2,240,000 tCO2e in GHG emissions from all sites in the greater China region in 2024, down 33.5% from the base year. We estimate the 2025 GHG emissions to be approximately 2,170,000 tCO2e (down 35.6% from the base year).

6.3.5 Task Force on Climate-related Financial Disclosures (TCFD)

Aspect	Recommended Disclosures	Chapter	Page	Remarks
Governance	Describe the board's oversight of climate-related risks and opportunities.	5.1 Environmental Governance	142	
	Describe management's role in assessing and managing climate-related risks and opportunities.			
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short-, medium-, and long-term.	5.2.2 Climate Risk Assessment and Management	155	
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.			
	Describe the resilience of the organization's strategy taking into consideration different climate-related scenarios, including a 2° C or lower scenario.			
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	5.2.2 Climate Risk Assessment and Management	155	
	Describe the organization's processes for managing climate-related risks.	5.1 Environmental Governance	142	
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	2.2 Risk Management	38	
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	5.2.2 Climate Risk Assessment and Management	155	
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	5.3 Greenhouse Gas Management	162	
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	5.3 Greenhouse Gas Management 5.4 Energy Management	162 166	

6.3.6 Taskforce on Nature-related Financial Disclosures (TNFD)

Aspect	Recommended Disclosures	Chapter	Page	Remarks
Governance	Describe the board's oversight of nature-related dependencies, impacts, risks, and opportunities.	5.1 Environmental Governance	142	
	Describe management's role in assessing and managing nature-related dependencies, impacts, risks, and opportunities.			
	Describe the organization's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, and affected and other stakeholders, in the organization's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	5.2.1 Natural Risk Assessment and Management	149	
Strategy	Describe the nature-related dependencies, impacts, risks and opportunities the organization has identified over the short-, medium- and long-term.	5.2.1 Natural Risk Assessment and Management	149	
	Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organization's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.			
	Describe the resilience of the organization's strategy to nature-related risks and opportunities, taking into consideration different scenarios.			
	Disclose the locations of assets and/or activities in the organization's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.			
Risk & impact management	i. Describe the organization's processes for identifying, assessing, and prioritizing nature-related dependencies, impacts, risks and opportunities in its direct operations. ii. Describe the organization's processes for identifying, assessing, and prioritizing nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).		149	
	Describe the organization's processes for managing nature-related dependencies, impacts, risks, and opportunities.			
	Describe how processes for identifying, assessing, prioritizing and monitoring nature-related risks are integrated into and inform the organization's overall risk management processes			
Metrics & targets	Disclose the metrics used by the organization to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	5.2.1 Natural Risk Assessment and Management	149	
	Disclose the metrics used by the organization to assess and manage dependencies and impacts on nature.			
	Describe the targets and goals used by the organization to manage nature-related dependencies, impacts, risks, and opportunities and its performance against these.			The TNFD framework has been adopted, and target and indicator planning is currently underway.

6.3.7 WEF Stakeholder Capitalism Metrics

Area	Theme	Core Metrics	Chapter	Page	Remarks
Principles of Governance	Governing Purpose	Setting purpose	1.1 Sustainability Management	13	
	Quality of governance body	Governance body composition	1.1 Sustainability Management 2.1 Governing Body	13 33	
	Stakeholder engagement	Material issues impacting stakeholders	1.2 Stakeholder Communication and Materiality Analysis	18	
	Ethical behavior	Anti-corruption	2.3 Integrity Management and Legal Compliance	51	
		Protected ethics advice and reporting mechanisms	2.3 Integrity Management and Legal Compliance	51	
	Risk and opportunity oversight	Integrating risk and opportunity into business process	2.2 Risk Management	38	
Planet	Climate change	Greenhouse gas (GHG) emissions	5.3.1 Greenhouse Gas Inventory	162	
		TCFD implementation	5.2.2 Climate Risk Assessment and Management	155	
	Nature loss	Land use and ecological sensitivity	5.2.1 Natural Risk Assessment and Management	149	
	Freshwater availability	Water consumption and withdrawal in water-stressed areas	5.2.1 Natural Risk Assessment and Management 5.5 Water Management	149 172	
People	Dignity and equality	Diversity and inclusion	4.1.3 Diversity and Inclusion	95	
		Pay equality	4.1.4 Remuneration and Benefits	98	
		Wage levels	4.1.4 Remuneration and Benefits	98	
		Risk for incidents of child, forced, or compulsory labor	4.3.1 Respect for Human Rights	111	No child labor or slavery is used in compliance with the RBA Code of Conduct.
	Health and well-being	Health and safety	4.4 Safety and Protection	119	
	Skills for the future	Training provided	4.2 Talent Cultivation and Development	107	
Prosperity	Employment and wealth generation	Absolute number and rate of employment	4.1.3 Diversity and Inclusion 6.1.2 Social Aspect	95 185	
		Economic contribution	2.4 Financial Performance and Tax Governance 6.1.1 Governance Aspect	55 184	
		Financial investment contribution		-	Confidential information, no disclosure.
	Innovation of better products and services	Total R&D expenses	3.1.1 Technological Innovations and Breakthroughs	62	
	Community and social vitality	Total tax paid	2.4 Financial Performance and Tax Governance	55	

6.3.8 The United Nations Global Compact (UNGC)

Category	Ten Principles	Chapter	Page	Remarks
Human Rights	Principle 1: Support and respect for the protection of internationally proclaimed human rights.	4.3.1 Respect for Human Rights	111	
	Principle 2: Ensuring no complicity in human rights abuses.	4.3.1 Respect for Human Rights	111	
Labor	Principle 3: Upholding the freedom of association and the effective recognition of the right to collective bargaining.	4.3 Labor Rights and Relations	111	
	Principle 4: The elimination of all forms of forced and compulsory labor.	4.3 Labor Rights and Relations	111	
	Principle 5: The effective abolition of child labor.	4.3.1 Respect for Human Rights	111	
	Principle 6: The elimination of discrimination in respect to employment and occupation.	4.3 Labor Rights and Relations	111	
Environment	Principle 7: A precautionary approach to environmental challenges.	5.1 Environmental Governance 5.2 Environmental Risk Management Strategies	142 149	
	Principle 8: Initiatives to promote greater environmental responsibility.	5.1 Environmental Governance	142	
	Principle 9: Encouraging the development and diffusion of environmentally friendly technologies.	3.2 Sustainable Manufacturing	66	
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	2.3 Integrity Management and Legal Compliance	51	

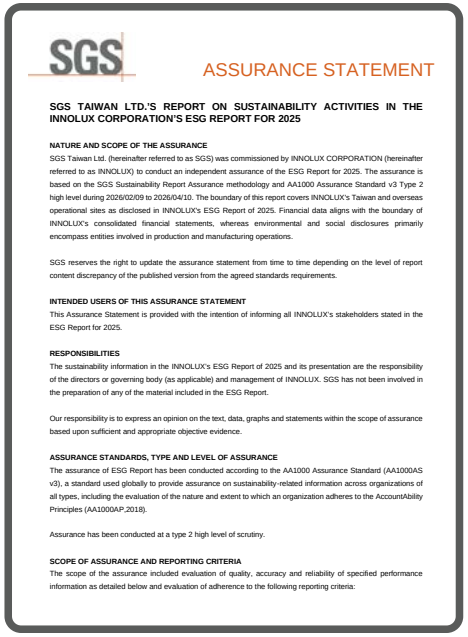
6.4 / Errata

GRI 2-4

<table>
<tr><th>Chapter</th><th>Remarks</th><th>Page</th></tr>
<tr><td>5.1 Environmental Governance</td><td>To ensure the highest standards of data quality, we have optimized the statistical logic of our Environmental Information System this year. Following a rigorous re-verification process, certain figures for 2024 have been adjusted due to data extraction variances during the system migration period. The total environmental protection expenditure for the Taiwan plant has been updated to NT$1.74 billion (from NT$1.22 billion), while the expenditure for the mainland China plant has been updated to RMB 3.87 million (from RMB 300,000). The updated figures for environmental expenditures are as follows:
<table>
<tr><th rowspan="2">Cost Category</th><th rowspan="2">Item Description</th><th colspan="2">Region</th></tr>
<tr><th>Taiwan
ten thousand (NTD)</th><th>Mainland China
ten thousand (RMB)</th></tr>
<tr><td>1.Operational Costs</td><td>Pollution Prevention and Control/Resource Recycling and Reuse/Global Environmental Protection</td><td>171,764</td><td>232</td></tr>
<tr><td>2. Management Activities</td><td>Environmental Education and Training/License and Permit Fees/Environmental Monitoring/Environmental Activities/ Environmental Management System (EMS)</td><td>928</td><td>154</td></tr>
</table></td><td>-</td></tr>
<tr><td>5.5.3 Water Pollution Control</td><td>The 2024 water withdrawal and water consumption data in the Water Use Volume table was incorrectly stated.
The 2024 water withdrawal volume was 16,404 million liters, but was incorrectly listed as 15,843 million liters. Water consumption volume was 8,396 million liters, but was incorrectly listed as 7,835 million liters.</td><td>175</td></tr>
</table>

6.5 / Independent Verification Statement

GRI 2-5



SGS

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE INNOLUX CORPORATION'S ESG REPORT FOR 2025

NATURE AND SCOPE OF THE ASSURANCE

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by INNOLUX CORPORATION (hereinafter referred to as INNOLUX) to conduct an independent assurance of the ESG Report for 2025. The assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 2 high level during 2026/02/09 to 2026/04/10. The boundary of this report covers INNOLUX's Taiwan and overseas operational sites as disclosed in INNOLUX's ESG Report of 2025. Financial data aligns with the boundary of INNOLUX's consolidated financial statements, whereas environmental and social disclosures primarily encompass entities involved in production and manufacturing operations.

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all INNOLUX's stakeholders stated in the ESG Report for 2025.

RESPONSIBILITIES

The sustainability information in the INNOLUX's ESG Report of 2025 and its presentation are the responsibility of the directors or governing body (as applicable) and management of INNOLUX. SGS has not been involved in the preparation of any of the material included in the ESG Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

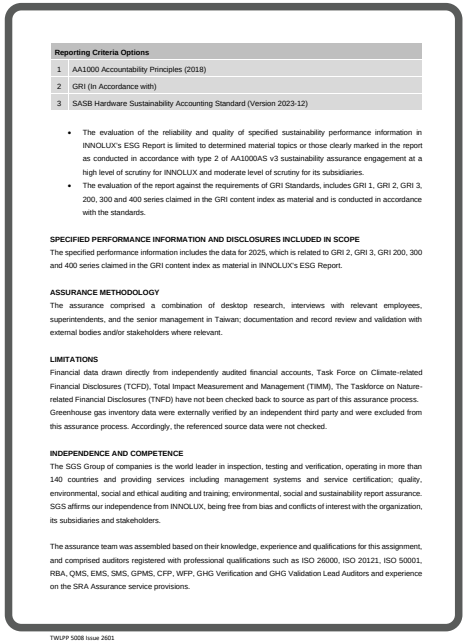
The assurance of ESG Report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the AccountAbility Principles (AA1000AP,2018).

Assurance has been conducted at a type 2 high level of scrutiny.

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

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Reporting Criteria Options	
1	AA1000 Accountability Principles (2018)
2	GRI (In Accordance with)
3	SASB Hardware Sustainability Accounting Standard (Version 2023-12)

- The evaluation of the reliability and quality of specified sustainability performance information in INNOLUX's ESG Report is limited to determined material topics or those clearly marked in the report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement at a high level of scrutiny for INNOLUX and moderate level of scrutiny for its subsidiaries.
- The evaluation of the report against the requirements of GRI Standards, includes GRI 1, GRI 2, GRI 3, 200, 300 and 400 series claimed in the GRI content index as material and is conducted in accordance with the standards.

SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE

The specified performance information includes the data for 2025, which is related to GRI 2, GRI 3, GRI 200, 300 and 400 series claimed in the GRI content index as material in INNOLUX's ESG Report.

ASSURANCE METHODOLOGY

The assurance comprised a combination of desktop research, interviews with relevant employees, superintendents, and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS

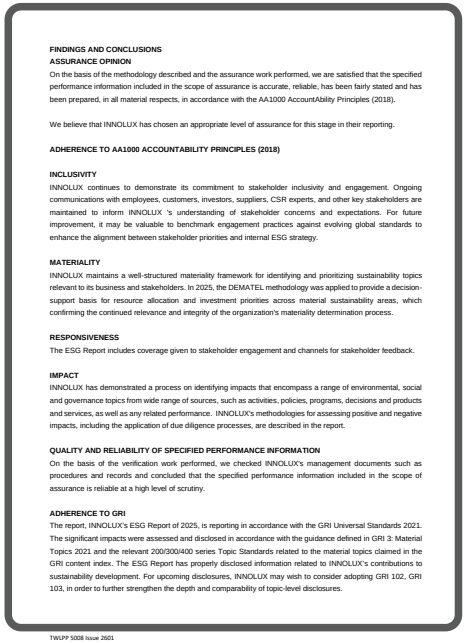
Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD), Total Impact Measurement and Management (TIMM), The Taskforce on Nature-related Financial Disclosures (TNFD) have not been checked back to source as part of this assurance process. Greenhouse gas inventory data were externally verified by an independent third party and were excluded from this assurance process. Accordingly, the referenced source data were not checked.

INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirms our independence from INNOLUX, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with professional qualifications such as ISO 26000, ISO 20121, ISO 50001, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

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FINDINGS AND CONCLUSIONS

ASSURANCE OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the AA1000 AccountAbility Principles (2018).

We believe that INNOLUX has chosen an appropriate level of assurance for this stage in their reporting.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY

INNOLUX continues to demonstrate its commitment to stakeholder inclusivity and engagement. Ongoing communications with employees, customers, investors, suppliers, CSR experts, and other key stakeholders are maintained to inform INNOLUX 's understanding of stakeholder concerns and expectations. For future improvement, it may be valuable to benchmark engagement practices against evolving global standards to enhance the alignment between stakeholder priorities and internal ESG strategy.

MATERIALITY

INNOLUX maintains a well-structured materiality framework for identifying and prioritizing sustainability topics relevant to its business and stakeholders. In 2025, the DEMATEL methodology was applied to provide a decision-support basis for resource allocation and investment priorities across material sustainability areas, which confirming the continued relevance and integrity of the organization's materiality determination process.

RESPONSIVENESS

The ESG Report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

IMPACT

INNOLUX has demonstrated a process on identifying impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. INNOLUX's methodologies for assessing positive and negative impacts, including the application of due diligence processes, are described in the report.

QUALITY AND RELIABILITY OF SPECIFIED PERFORMANCE INFORMATION

On the basis of the verification work performed, we checked INNOLUX's management documents such as procedures and records and concluded that the specified performance information included in the scope of assurance is reliable at a high level of scrutiny.

ADHERENCE TO GRI

The report, INNOLUX's ESG Report of 2025, is reporting in accordance with the GRI Universal Standards 2021. The significant impacts were assessed and disclosed in accordance with the guidance defined in GRI 3: Material Topics 2021 and the relevant 200/300/400 series Topic Standards related to the material topics claimed in the GRI content index. The ESG Report has properly disclosed information related to INNOLUX's contributions to sustainability development. For upcoming disclosures, INNOLUX may wish to consider adopting GRI 102, GRI 103, in order to further strengthen the depth and comparability of topic-level disclosures.

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ADHERENCE TO SASB

INNOLUX has referenced with SASB's Standard, HARDWARE, VERSION 2023-12 to disclose information of material topics that are vital for enterprise value creation. The reporting boundaries of the disclosed information correspond to the financial data reported in INNOLUX's ESG Report of 2025. INNOLUX used SASB accounting and activity metrics to assess and manage the topic-related risks and opportunities, where relevant quantitative information was assessed for its accuracy and completeness to support the comparability of the data reported. INNOLUX is encouraged to embed the identification, assessment, and management of relevant risks and opportunities into its management processes, and to enhance disclosure practices for more effective monitoring and benchmarking of performance as part of its commitment to continuous improvement.

Signed:
For and on behalf of SGS Taiwan Ltd.

AA1000 Licensed Report 000-8/V3-2GB46

Stephen Pao
Business Assurance Director
Taipei, Taiwan
26 May, 2026
WWW.SGS.COM

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